ANNUAL REPORT ON AMERICAN INDUSTRY

Performance Yardsticks for 1,177 Companies

JANUARY 7, 1991

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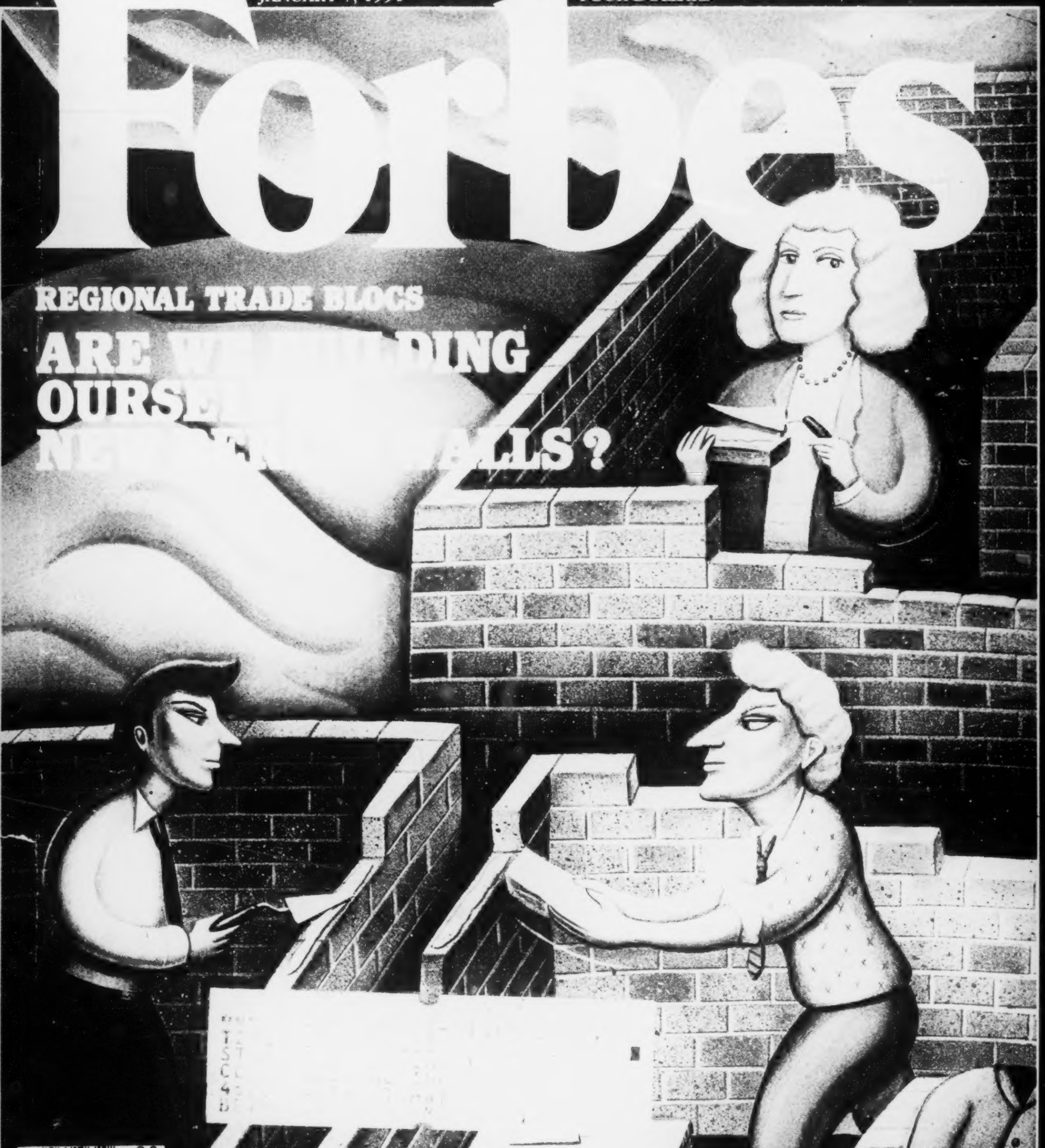
Forbes



REGIONAL TRADE BLOCS

ARE WE BUILDING OURSELVES NEW BERLIN WALLS?

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Forbes

43rd ANNUAL REPORT ON AMERICAN INDUSTRY

JANUARY 7, 1991
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NUMBER 1

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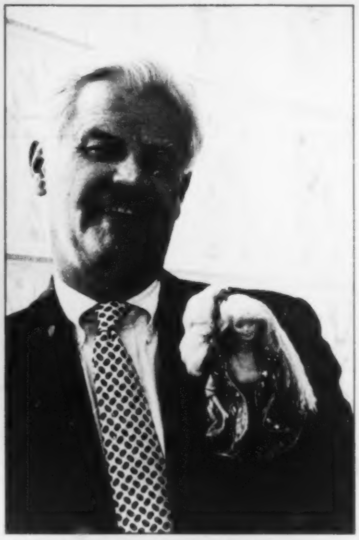

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UNITED STATES OF AMERICA
IN GOD WE TRUST
E PLURIBUS UNUM
1 OZ. FINE GOLD—50 DOLLARS

January 7, 1991 Volume 147 Number 1 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Canadian second-class postage paid, permit number 9490. Subscription $52 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011.

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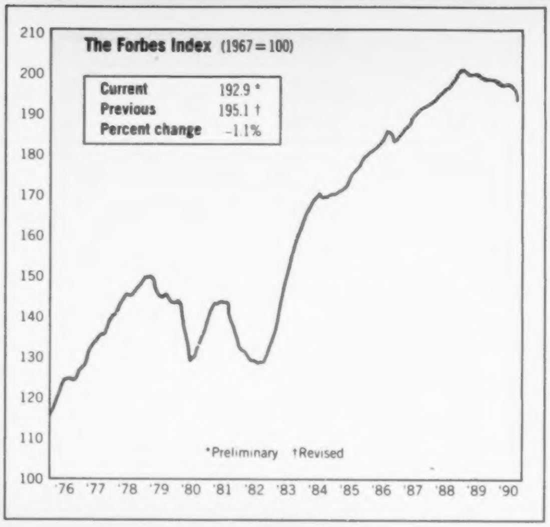
Cover illustration by Andy Levine

The Forbes Index



After rising almost steadily in the first eight months of the year, output of the nation's mines, factories and utilities fell for three straight months, including a sharp 1.7% decline in November. The economic slowdown is also visible in the net drop in nonfarm payrolls of 662,000 workers since June. The number of initial unemployment claims in November shot up to its highest level since April 1983. Nearly 6% of the eligible work force is unemployed. November retail sales were 5% higher than they were a year ago, but the inflation-adjusted figure shows no gain.

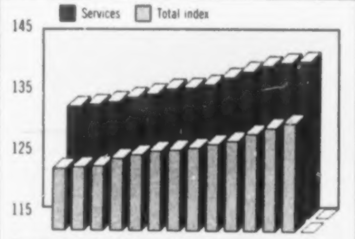
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	10.0%
Auto sales year to date vs. 1989[1]	Ward's Automotive	–3.3%
Index of leading indicators September vs. August	Dept of Commerce	–0.8%
Trade balance last 12 months ending August 1990	Dept of Commerce	–$100 bil
Producer price index October vs. 1989[2]	Dept of Labor	6.4%
GNP 3rd quarter vs. 2nd—annualized growth	Dept of Commerce	1.8%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	6.0%

[1] U.S.-based manufacturers, excludes imports, as of 11/10/90. [2] Finished goods. [3] September 1990.

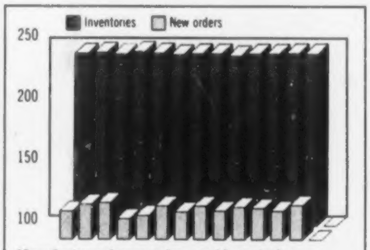
Index Components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements. Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

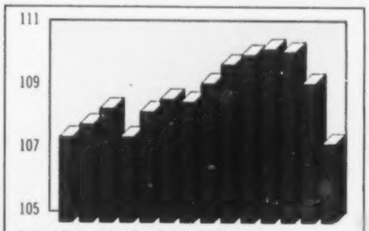
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



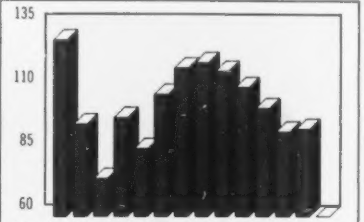
Consumer price indexes (1982-84 average = 100) all urban consumers, unadjusted (Dept. of Labor)



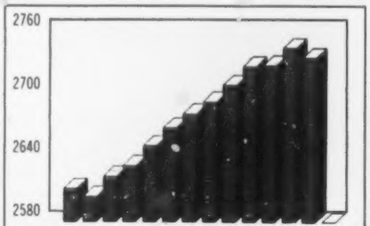
Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



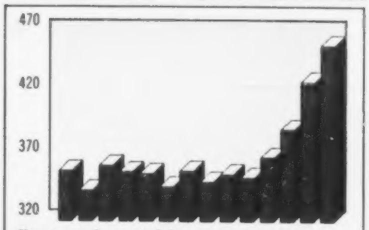
Industrial production index (1987 = 100) seasonally adjusted (Federal Reserve)



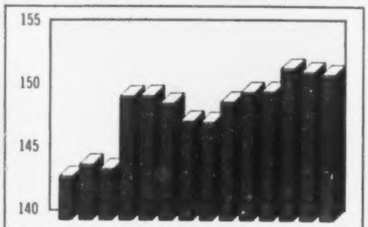
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



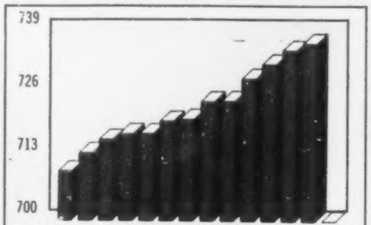
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



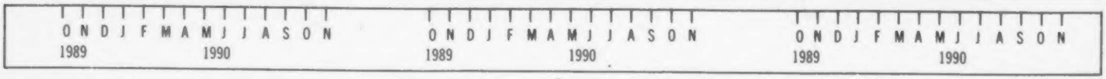
New unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)



New efforts by insurance regulators to micromanage the private placement business are throttling this vital market.

If in doubt, downgrade it!

By Laura Jereski

JUNK BONDS ARE DEAD. Commercial banks aren't in a lending mood. With the stock market queasy, new equity issues are nearly impossible. So what does a business do that badly needs new capital?

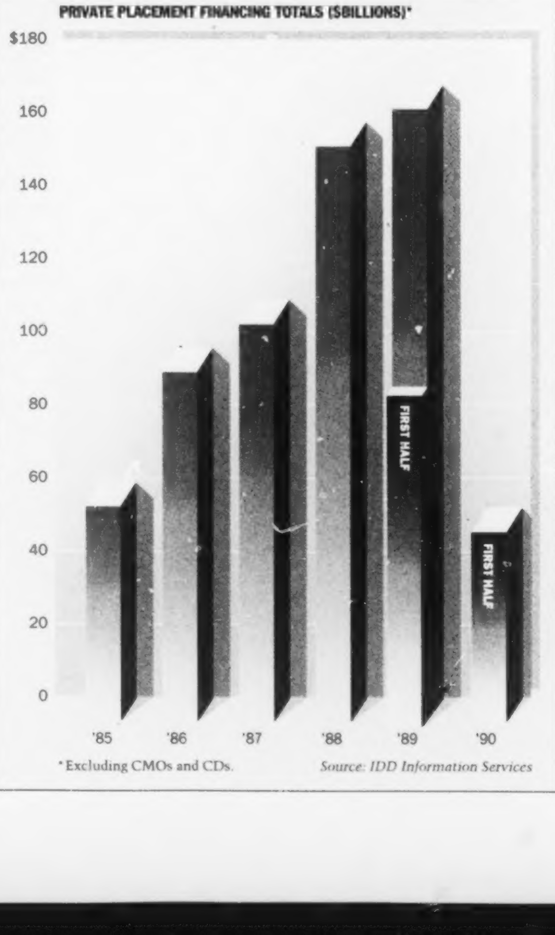
Until recently it could go to the private placement market. That is, it could make a private deal with a large institution. No need for Securities & Exchange Commission registration. The SEC considers such lenders sophisticates who don't need government protection, and, since the issues won't trade, the public is unlikely to be involved. Borrower and lender could deal face to face, without the SEC. Chief lenders were insurance companies.

Private placement leverage and buyout deals were still doing pretty well even after the junk bond market collapsed. Of course, the borrowers had to accept tougher terms and often give up equity to get money, but at least they could get it. The private market—almost all of it debt—ballooned to $168 billion by the end of 1989, up from only $59 billion in 1985. The market held its own well into 1990 (FORBES, *Oct. 1, 1990*).

But now private placements are slowing. Worried by bad publicity about potential insolvencies in the insurance industry, the National Association of Insurance Commissioners has imposed stricter guidelines for placements of debt to insurers. It decreed conservative debt-to-equity ratios and hefty cash flow coverage, for example, for an issue to be considered investment grade. What this association says matters, because it is made up of the state insurance regulators, insurance regulation being a state concern.

Overkill?

In the first half of 1990 the private placement market rivaled total volume in 1985—even without big junk bond and ESOP issues. But looming regulations have helped kill all but the highest-grade issues.



*Excluding CMOs and CDs.

Source: IDD Information Services

Since the new system was announced last summer, the association's team of eight raters have processed some 40,000 issues in five months—an impossible load. Worse, the issues were assigned for review not by industry or capital structure but by alphabetical order.

With this cursory, pressured scrutiny, the reviewers have gone overboard to be tough. Most cable deals—big borrowers in the private market—were rated below investment grade. Complex secured leasing transactions got bad ratings, too. And borrowers with below-investment-grade public debt got similar ratings for their private paper, even when the private issue was better secured than the hapless junk debt and wrapped in tighter covenants.

What's wrong with setting tough guidelines? Nothing, but there's plenty wrong with guidelines so rigid that investment officers have no leeway. Insurance people point out that the private placement market is the only money forum available to small and medium-size companies, which are considered marginal credits by Standard & Poor's and Moody's. The largest private lenders, like Prudential, which has $34 billion in private placements, have loan offices around the country looking for just that kind of business. Other big private lenders include Cigna, with a $12 billion private portfolio, and Metropolitan Life, with $14 billion. Presumably, the insurance dealmakers can assay the risks and balance them against the potential payoff. But under the new rules, says Nathaniel Coolidge at John Hancock Mutual Life Insurance Co., which has a $10 billion private placement portfolio: "We will be prohibited from providing capital to below investment grade companies."

Bad news for small business

Before the new ratings, these insurers were big lenders to small and medium-size firms.

Company	Private portfolios (face value, in billions)
Prudential	$34
Metropolitan Life	14
Cigna	12
Aetna	11
Equitable	10
John Hancock	10
Principal Mutual	9
Travelers	6
New York Life	6
Mass Mutual	5

Sources: Company reports, Forbes estimates

That's already happening. Insurance companies are shying away from all but the highest-grade private issues. "The new rating system has greatly narrowed the market and made it very illiquid and expensive for lower-grade companies," complains Nancy Hawthorne, senior vice president of Continental Cablevision, the $940 million (revenues) system that withdrew its $150 million private issue in early November. Neil Powell of Shea, Paschall & Powell says two clients have opted to withdraw issues, too.

The new rules inhibit lending in yet another way. They require insurance companies to write down 20% against a bigger chunk of their portfolio, because the rules regard the credits as riskier than the insurance companies themselves do. This increases insurance company reserves and puts a crimp on the amount of new business the insurance companies can write.

The insurance companies also worry that the writedowns will make their books look worse than they really are. By mid-November the insurance company complaints started flying. One private lender estimates that he has sent the NAIC complaint letters on the way its examiners rated more than 150 issues, and has gotten satisfactorily revised ratings on about half. But even with these revisions, the ratio of non-investment-grade ratings in some of the larger private portfolios will have doubled, from about 7% of the private portfolios to about 16%.

It's tough being a regulator in times like these. Err on the side of looseness, and you risk getting blamed for insolvencies. Err on the side of rigidity, and you risk restricting capital flows that create jobs and economic activity. ■

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ANNUAL
AMERICAN

By Graham Button

OUR 43RD Annual Report on American Industry comes at a time when the news on the domestic front can only be described as sobering—especially for those companies reeling with hangovers from the junk bond era. Corporate defaults are at an alltime high, consumer confidence is at its lowest point since the economy emerged from the 1982 recession, and Saddam Hussein is yet to be dealt with successfully.

So where's the silver lining? As the companies profiled on the pages that follow clearly demonstrate, it is in overseas operations and exports. Despite all the chatter and jabber about lost competitiveness, U.S. exports of manufactured goods totaled $287 billion in 1989—a 70% increase since 1985, according to the National Association of Manufacturers. In the first half of 1990 increased exports accounted for 80% of what slight growth the U.S. economy managed. That's up from just 14% in 1986.

If this trend is to continue, of course, world export markets must remain open. Even that was in question as 1991 began, what with the collapse of the GATT talks *(see cover story, p. 86)*.

One striking example of the growing importance of foreign markets to U.S. companies: Fluor Corp., a leading engineering and construction firm. At home, construction is facing tough times, as total new contracts dropped an estimated 9% in 1990. Fluor, however, saw its earnings grow 35% last year, to $147 million—the fruits of an aggressive overseas expansion led by Vice Chairman Leslie McCraw.

Although export growth slowed in the wake of the Gulf crisis, the slowdown may be short-lived. National Association of Manufacturers economist Gordon Richards expects a new boom in exports to kick in around the second quarter of 1991. The table on page 94 lists our editors' choice of the company in each industry with the best prospects overseas.

On the domestic front, there's cause for concern. Corporate America is having trouble paying off the debts it piled up in the 1980s. Through the 11 months ended in November, 46 nonfinancial U.S. companies defaulted on $12.8 billion of publicly issued S&P-rated debt. That was more than in any previous year and over three times larger than the year-earlier total. Merrill Lynch economist Robert Schwartz reports that in the third quarter of last year interest payments of nonfinancial corporations rose to 28% of cash flow—a postwar record.

Retailing and service-related industries are the most overextended right now. In 1990 alone the retailing group defaulted on approximately $4 billion of debt—over one-third of the year's total corporate defaults, according to Salomon Brothers. The bulk of the retailers' bad credits are from four deals that went rotten: Allied and Federated stores, Revco and Southland.

The boom of the 1980s was fueled, in part, by the jobs created by the service sector. From 1978 to 1988, employment in that sector had almost doubled to 25 million. But it now seems too many jobs were created there. Stephen Roach, of Morgan Stanley, notes that nonmanufacturing productivity dropped 2.5% over the first three quarters of last year, compared with the same period in 1989. That is in stark contrast to the slighter declines at comparable intervals of past business cycles. The overhead built up during the fat years is being slashed as layoffs sweep through banking, insurance, advertising and brokerage firms. But the cost savings will take time to work to the bottom line, and in the meantime the lost jobs will hurt consumer spending. Roach says the current downturn could well become "America's first white-collar recession."

The textbook definition for a recession—two consecutive quarters of declining gross national product—has yet to be satisfied. But the end of easy money and the perception of hard times ahead has already caused a big recession in capital values. Examples:

Illustration by Andrew Christie

REPORT ON INDUSTRY

The most profitable of the giants

Who were the big winners over the last half-decade? Apparel, drug, food and software companies. These 25 corporations—all with revenues over $1 billion—are standouts. Each has a 5-year average return on equity of at least 22% and a 12-month return on equity of at least 20%. All had long-term returns on equity higher than the median company in their industry group and higher than our all-industry median figure of 14.6%. To be listed below, a firm also had to pass other screens for net income, earnings growth and leverage.

		Return on equity		Earnings per share					
				growth rate					
Company	**Chief executive**	**5-year average**	**latest 12 mos**	**5-year average**	**latest 12 mos**	**latest 12 mos**	**1991 est***	**Industry**	**Page**
Microsoft	William H Gates III	50.4%	39.5%	56.7%	60.9%	$2.62	$3.12	computers & communications	118
Reebok Intl	Paul B Fireman	45.1	20.2	26.8	16.3	1.50	1.74	consumer nondurables	138
Merck	P Roy Vagelos	44.6	48.9	29.5	20.2	4.35	5.34	health	172
Liz Claiborne	Jerome A Chazen	40.2	31.4	28.0	27.5	2.18	2.61	consumer nondurables	138
Wal-Mart Stores	David D Glass	36.0	29.7	33.3	27.6	1.04	1.43	retailing	184
Marion Merrell Dow	Joseph G Temple Jr	35.8	42.5	20.7	88.8	1.51	1.97	health	172
Limited	Leslie H Wexner	35.4	30.3	26.5	20.1	1.05	1.32	retailing	184
Abbott Laboratories	Duane L Burnham	34.4	34.7	18.6	15.7	2.14	2.57	health	172
Gap	Donald G Fisher	32.8	35.9	44.8	27.8	1.73	2.13	retailing	184
Food Lion	Tom E Smith	32.0	30.5	30.5	27.5	0.51	0.67	retailing	184
Deluxe	Harold V Haverty	30.8	26.6	12.3	12.6	1.97	2.30	business services & supplies	100
CPC International	Charles R Shoemate	26.8	25.7	22.7	13.9	4.68	5.48	food, drink & tobacco	164
NIKE	Philip H Knight	26.8	39.1	47.2	42.3	3.52	4.45	consumer nondurables	138
Walt Disney	Michael D Eisner	26.4	26.7	41.8	17.6	6.00	8.19	entertainment & information	154
HJ Heinz	Anthony J F O'Reilly	25.8	27.1	14.5	13.9	1.97	2.38	food, drink & tobacco	164
Torchmark	Ronald K Richey	25.1	28.8	17.1	19.3	4.33	4.92	insurance	176
Home Depot	Bernard Marcus	25.0	27.5	53.9	45.4	1.26	1.69	retailing	184
H&R Block	Henry W Bloch	24.9	25.4	14.7	19.9	2.29	2.97	financial services	156
Eli Lilly	Richard D Wood	24.8	26.9	13.4	21.6	3.74	4.69	health	172
Waste Management	Dean L Buntrock	24.2	23.7	27.3	20.9	1.42	1.79	business services & supplies	100
Tyco Laboratories	John F Fort	24.2	23.0	22.8	25.4	3.01	3.89	materials	180
Schering-Plough	Robert P Luciano	23.9	27.9	20.1	19.6	2.41	2.96	health	172
Gt Lakes Chemical	Emerson Kampen	23.1	23.0	30.9	13.5	3.87	4.42	chemicals	112
Rubbermaid	Stanley C Gault	22.9	21.8	18.4	17.2	1.77	2.09	consumer durables	130
Albertson's	Warren E McCain	22.7	23.8	20.7	17.4	1.65	1.99	retailing	184

*Figures supplied by Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

American stars abroad

To find out how each of these corporations beat its competitors overseas, see their respective industry survey report on the pages cited below.

Industry	Company	Page
Aerospace & defense	Litton Industries	96
Business services & supplies	Minn Mining & Mfg	100
Capital goods	General Electric	108
Chemicals	Great Lakes Chemical	112
Computers & communications	Compaq Computer	118
Construction	Fluor	126
Consumer durables	General Motors	130
Consumer nondurables	Procter & Gamble	138
Energy	Exxon	148
Entertainment & information	Time Warner	154
Financial services	American Express Intl	156
Food, drink & tobacco	Kellogg	164
Forest products	Crown Cork & Seal	170
Health	Bristol-Myers Squibb	172
Insurance	Chubb	176
Materials	Magma Copper	180
Retailing	Woolworth	184
Transport	Airborne Freight	188
Travel	AMR	190

The Electric utilities are not included above as they do not have a foreign presence. They are surveyed on page 142

McCaw Cellular, a Wall Street darling of the 1980s, has seen its market capitalization cut by more than 50% since this time last year. At the market's peak, McCaw paid around $350 per potential customer, or "pop," for cellular properties in premium New York and Los Angeles markets. In the last significant cellular deal, Southwestern Bell in October agreed to pay Crowley Cellular just $165 per pop for its properties in Illinois.

The price tag for Donald Trump's 1989 purchase of the Eastern Air Lines shuttle was $365 million. In addition, Trump spent $35 million sprucing it up. The carrier is now rumored to be on the block, and analysts say Trump would be lucky if it brings $250 million.

Remember when William Farley acquired West Point-Pepperell in early 1989 and figured its Cluett, Peabody clothing unit would bring around $700 million? In March, with Farley under pressure to reduce debt, Bidermann S.A. of France bought Cluett for $410 millon.

In another sign of tough times, GM, Ford and Chrysler have all been slashing production in response to slack demand. All three are expected to report operating losses for the fourth quarter. This would be the first time since late 1981 that the big three have simultaneously posted losses.

Relative to past slowdowns, however, bloated inventories aren't a problem for automakers and other producers of consumer durables. The Commerce Department reports that the ratio of inventories to sales is near an alltime low. Thanks to computerized just-in-time inventory control systems, U.S. manufacturers have a far better handle on inventories than they did a decade ago.

Our industry reports, which begin on page 96, make it clear that the economic slowdown—though it became obvious only in October—will be clearly reflected in the 1990 results. Latest median 12-month return on equity for the 1,150 (not including biotechnology) companies covered fell from 14.4% to 12.1%. Yet not every company is the same. Our report is an account of how companies are coping with volatile energy prices, new environmental regulation and changing markets. Or not coping.

This year's total of 1,177 companies covered is up from 1,150 one year ago. Corporations are ranked against their immediate competitors, firms in related industry groups and against all other companies. Our universe of corporations is ranked on profitability (page 224) and growth (page 194), while our stock market analysis starts on page 204. Rules and other explanations appear on page 95.

The table on page 93 lists America's 25 most profitable big companies—all billion-dollar outfits that have maintained long-term profitability and growth rates more typical of dynamic startups than major corporations.

And the top 25 aren't entirely alone. In this issue we are spotlighting other stars: At the top of each industry report we list the corporations in each group with the best five-year profitability and growth rates. The best of these are not rendered complacent by their success but energized by it. They are showing the world that obituaries for American competitiveness are decidedly premature. ■

HOW WE CALCULATE THE RESULTS

	Profitability				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		Return on capital latest 12 mos %	Debt/capital %	Sales		Earnings per share				
Company	5-year average %	latest 12 mos %			5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %

Profitability

We calculate return on equity by taking primary earnings per share and dividing it by common shareholders' equity per share at the start of the fiscal year. In calculating common equity, Forbes assumes the conversion of all convertible preferred stock. We subtract the liquidation value of nonconvertible preferred shares from total stockholders' equity. In calculating earnings per share, we include gains or losses from discontinued operations but exclude extraordinary items.

The five-year average return on equity is calculated with a modified version of the sum-of-the-years digits method. This technique gives greater weight to most-recent results. For years in which a firm lost money but still had positive equity, we calculate the percentage lost on equity and factor this result into our equation. Companies were penalized for years in which they had a negative equity. Note: In calculating long-term results, if a company shows a return on equity over 100% in a given year, our computers automatically scaled back this value to 100%.

For return on capital, we divide aftertax profits, the amount remaining if the interest paid on long-term debt was taxed, and minority interest by a firm's total capitalization. Except for electric utilities, most firms do not report interest expense on long-term debt. In such cases Forbes estimates this figure for the latest 12-month reporting period. We assume a 34% corporate tax rate to compute the tax break derived from the interest expense. Total capitalization is defined as long-term debt, common and preferred equity, deferred taxes, investment tax credits and minority interest in consolidated subsidiaries.

Growth rates

We used the least-squares method to calculate sales and earnings growth rates. This equation adjusts for sharp fluctuations and comes up with a result that closely reflects the average rate of growth. Example: During a four-year period, a firm's earnings go from 50 cents to $1.25, then to $2.50 and finally to $2.75 in the last year. That's a 150% jump from the first year to the second year, a 100% increase in the third and a 10% rise in the fourth year. Least-squares says that on average, earnings grew by 78.7% (0.50 x 1.787 x 1.787 x 1.787). If you work out the math, you will get $2.85 rather than $2.75 in the final year. That's because the regression formula finds an answer that best fits the year-to-year change for all four years, not just between the first and last years.

There are limitations to the least-squares equation. It cannot handle negative values. If earnings are negative at the start of the period, Forbes calculates the growth rate for a shorter length of time, beginning with the first positive year. Of course, some companies lost money during the middle of the measuring period. In such cases we dropped the year from our calculation and measured the growth rate over the remaining positive periods. Our assumption: the brief losses were not representative of long-term performance. However, if the company lost money in more than one year, a five-year growth rate is not calculated and the result is listed as not meaningful (NM).

Some growth rates do not make sense. When earnings go from $2.50 in the first year to 1 cent in the second year, $4.50 the third year and 25 cents in the fourth year, the resulting growth rate, –7.7%, does a miserable job of describing the year-to-year changes. Our computers marked such wildly fluctuating earnings patterns as not meaningful.

Time periods

The five-year growth rates shown in this issue for both sales and profits require six years' worth of data. For companies with fiscal years ending in April through December, growth rates are based on the fiscal years through 1989. For companies with fiscal years ending in January through March, the fiscal years through 1990 are used. All growth rates covering a period of less than five years are footnoted. When the range of available data is less than four years, the growth rate is marked NA (not available).

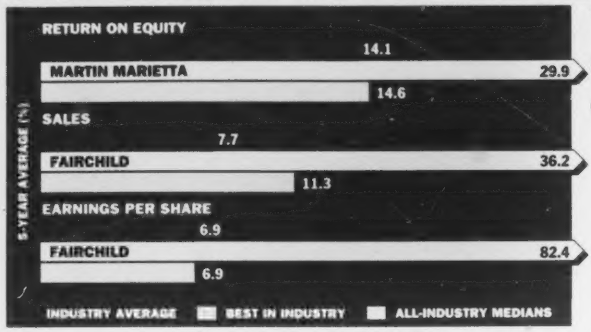
Latest 12-month comparisons are between the most recent four quarters and the same four quarters in the previous year. Sales, net income and profit margin are measured over the latest 12 months. Debt as a percentage of total capital is based on the latest balance sheet.

Definitions

Forbes defines sales as net sales plus other operating revenue. For banks, sales is total interest income plus other income. Insurance company sales include income from premiums earned as well as net investment income and other income. Debt as a percentage of capital is defined as long-term debt, including capitalized leases, divided by total capitalization.

The medians for all companies are calculated by listing the companies in rank order and selecting the value of the middle company. If there is an even number of companies, the median is arrived at by averaging the data on the two middle firms. The all-industry median is based on the median of the 20 individual industry medians. All companies except those marked NA are ranked in calculating the industry median.

AEROSPACE & DEFENSE



The record demand for airliners will no longer be able to mask the cuts in defense spending.

By Howard Banks

THE WORLDWIDE ORDERING BOOM for commercial airliners continued during 1990, taking even insiders like Boeing Chairman Frank Shrontz by surprise. Boeing's civil backlog is now an astonishing $103 billion, up from $85 billion in 1989 and nearly double the 1988 level. The world's largest passenger jet manufacturer also launched its new widebody 777 airliner during the year with a firm order for 40 aircraft from United Airlines.

McDonnell Douglas has benefited, too, with a doubling in its airliner backlog to around $50 billion. Last December it

Aerospace & defense	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/capital %**	**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Teledyne	60.9a	24.1	13.9	48.1	0.8	–4.9	9.0a	–38.1	3,449	107	3.1
Martin Marietta	29.9	25.3	15.7	20.3	8.4	8.5	11.3a	38.7	6,191	344	5.6
Raytheon	24.2	22.7	22.4	1.6	8.0	3.4	21.1	6.9	9,056	551	6.1
Precision Castparts	23.0	12.9	11.3	8.7	27.3	10.8	29.4	0.0	495	30	6.0
Rockwell Intl	22.1	16.1	12.5	9.4	4.7	–1.1	12.7	–10.8	12,379	624	5.0
Fairchild	21.8	11.2	8.5	71.7	36.2	33.6	82.4	–15.1	666	14	2.1
General Electric	19.0	20.5	12.7	41.8	12.7	6.4	11.3	13.4	57,361	4,237	7.4
Lockheed	18.7	4.9	4.6	36.8	4.1	1.8	15.0	–44.1	10,021	127	1.3
General Dynamics	18.5	1.6	2.4	27.3	5.2	2.6	–3.2	–85.3	10,210	35	0.3
Loral	18.2	13.9	10.3	39.0	22.6	21.9	13.4	–5.1	1,421	80	5.6
Sequa	18.0	8.5	6.5	54.6	22.7	19.8	NM	–9.6	2,200	57	2.6
TRW	17.4	13.0	8.9	31.6	4.6	12.5	6.0b	–10.3	8,022	230	2.9
E-Systems	16.8	14.7	12.8	14.6	14.8	11.9	8.3	3.1	1,769	83	4.7
AAR Corp	15.1	14.2	10.9	23.8	17.7	6.4	28.1	–1.2	452	26	5.7
GenCorp	15.0	18.0	10.6	68.5	–10.2	–7.0	43.7	–88.5	1,801	29	1.6
Thiokol	14.5	17.2	10.2	34.9	8.7	4.4	–7.1	143.6	1,206	44	3.7
Litton Industries	14.1	13.3	8.9	41.9	1.7	3.2	NM	2.8	5,170	175	3.4
Allied-Signal	13.3	14.1	10.9	30.9	3.7	3.1	NM	–4.3	12,258	470	3.8
Textron	13.0	10.7	7.5	69.9	23.6	6.3	10.6	4.3	7,797	282	3.6
Kaman	12.7	10.7	8.3	39.1	9.4	3.6	–7.6	137.8	817	20	2.4
United Technologies	12.6	14.6	12.2	20.9	4.5	7.5	9.5	18.7	21,007	766	3.7
Boeing	12.5	18.7	17.4	4.0	12.0	25.3	–3.2	48.1	25,427	1,144	4.5
Rohr Industries	11.2	3.8	5.1	51.2	11.9	10.5	–8.7	11.1	1,165	16	1.4
Hexcel	9.8	0.3	2.2	43.8	18.2	1.2	NM	–96.9	420	0	0.1
Sundstrand	8.6	19.4	12.4	23.5	7.4	1.3	NM	68.7	1,599	111	7.0
UNC	8.6	def	2.8	58.2	7.3	–15.2	NA	P-D	385	–2	def
SPS Technologies	8.4	0.6	2.1	32.8	11.0	–1.2	6.7	–94.4	427	1	0.3
McDonnell Douglas	8.2	11.1	8.6	46.4	8.8	9.1	–24.8	192.4	16,420	367	2.2
Grumman	8.0	9.7	8.1	48.8	5.7	1.8	–9.1	9.5	3,735	84	2.2
Talley Industries	6.8	5.4	5.2	59.3	5.1	2.6	7.2	–68.1	392	8	2.1
GM Hughes Electronics	3.4a	2.0	8.9	3.0	5.4	1.7	10.7	–6.3	11,485	713	6.2
Northrop	1.1	15.3	11.3	34.0	6.6	–6.3	NM	D-P	5,294	134	2.5
Wyman-Gordon	0.5	def	0.6	22.3	–5.0	15.7	NM	D-D	392	–1	def
ESCO Electronics	NA	0.7	1.6	3.5	5.2a	–10.2	NA	–73.1	538	3	0.6
Industry medians	**14.1**	**13.0**	**8.9**	**34.5**	**7.7**	**3.5**	**6.9**	**–2.8**	**2,825**	**84**	**3.0**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

delivered its first MD-11 widebody, to Finnair. On the military side, the St. Louis-based company has serious performance problems, and a potentially massive cost overrun with its joint contract with General Dynamics to develop the Navy's A-12 Stealth attack plane. Meanwhile, McDonnell's long-running contracts to build the F-15 and F-18 fighters and the Marines' AV-8B jumpjet are beginning to run down.

In all, $31 billion worth of U.S.-built airliners were delivered in 1990. That's more than a 40% increase over 1989. This helps explain why the return on equity in aerospace, despite declining military business, slipped only slightly from 13.4% to 13% for the latest 12-month period.

Defense deliveries in 1990 of less than $57 billion represent a 9% decrease over the 1987 peak. The Aerospace Industries Association forecasts deliveries to fall another 15% in 1991. Most of the cutbacks will be achieved by delays in program timetables (even though this adds to costs) rather than cancelations. Meanwhile, shipments of space equipment to NASA are expected to increase from nearly $12 billion to $13.5 billion in 1991. A presidential panel, headed by Norman Augustine of Martin Marietta, supports higher funding but recommends a shift away from the Shuttle and toward unmanned rockets.

The Persian Gulf dispute is unlikely to generate much new U.S. business for suppliers. (Congress will decide how much U.S. companies can cash in on the flood of new orders anticipated from Mideast countries.) One likely exception is a fleet of badly needed fast-transport ships for the U.S. Navy. The Ingalls shipyard subsidiary of Litton Industries is a major contender for this business.

Although many defense suppliers, such as Lockheed, TRW, McDonnell Douglas, General Dynamics and Martin Marietta, have had some layoffs, there have yet to be any of the anticipated program cancelations and consequent plant closings. A lot will turn in 1991 on whether new programs like the A-12 and the Air Force's Advanced Tactical Fighter move ahead as planned or fall afoul of the anticipated 9% budget cut in real defense spending. ■

The best defense is a foreign offense

While the U.S. aerospace industry is by far the largest nonfarm exporter, few U.S. defense contractors actually own manufacturing subsidiaries abroad. Beverly Hills, Calif.-based Litton Industries is a major exception. Its advanced electronics group's foreign operations now account for approximately one-quarter of its total sales ($5.2 billion in 1990).

Litton now has four overseas aerospace subsidiaries. The first three, in Canada, Germany and Italy, were set up in the 1960s to supply avionics for the Lockheed F104 fighters sold to those countries. Rather than license local firms, and create potential competition, Litton kept the technology in-house. The fourth subsidiary, in South Korea, was created after President Jimmy Carter threatened to pull U.S. troops out of that country. Litton moved in to retain access to a growing defense market in Korea and neighboring countries.

Joseph Caligiuri, 62, executive vice president in charge of international operations, says of Litton's foreign offshoots: "They are profitable and have been growing faster than our operations here in the U.S."

Where there are no restrictions imposed by the Department of Defense or by foreign governments, technology flows back and forth between the U.S. and Litton's foreign facilities. "It's easier for us since we're giving it to ourselves," explains Caligiuri. "Our advanced microelectronics operation in South Korea is, for example, 100% owned; that's rare there, and probably the most technically advanced in that country."

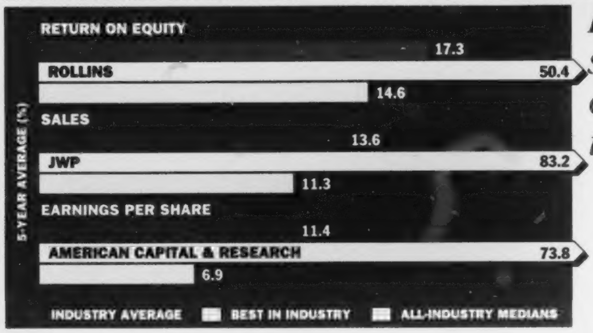
Where it is more acceptable, Litton's foreign subsidiaries are aggressively local in their behavior. "Our German company, for example, is German for all intents and purposes," says Caligiuri. By this means, Litton's advanced inertial navigation and other avionics are on the European Tornado strike bombers now in service in the Persian Gulf. This bomber program excluded all-American suppliers. Equipment sourced by Litton's European affiliates is used on other exclusively European helicopter and trainer programs, and on several Airbus models. In addition, Litton's European subsidiaries are scheduled suppliers of a number of avionics contracts including the main navigation computer, for a proposed European fighter.

Thanks to its international diversity, Litton is now in 300 separate defense programs—a deliberate policy so that a cancelation of one project won't kill the company. Notes Caligiuri: "We know that competition for defense work is going to get tougher worldwide. We're fortunate to have our overseas operations. Without them over there I don't know what we would do."—**H.B.**

Steve Smith/Onyx

Joseph Caligiuri of Litton Industries

BUSINESS SERVICES & SUPPLIES



Fumbled diversification efforts, sagging balance sheets and other problems finally hit the service industry.

By Jason Zweig

After sprinting through the 1980s, the service industry hit a wall in 1990. Just a year ago these firms that do everything from selling paper clips to hauling toxic waste surpassed Forbes' all-industry medians in return on equity, sales and earnings growth. Last year their five-year earnings growth was 60% higher than that of U.S. industry as a whole.

But in the last four quarters profits fell 13%, against a 2.6% decline for business overall. What went wrong? Some firms ended the 1980s with jumbled diversification efforts and sagging balance sheets. Ecolab added to its industrial cleaning base by paying $376 million for a lawn care unit in 1987. Since late 1989 it has sold a 19% stake to Germany's Henkel KGaA. Solid waste collector Browning-Ferris Industries got into hazardous waste disposal by buying Cecos International and ended up with a $295 million aftertax writedown in 1990.

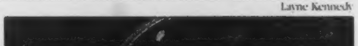
The pot of gold at the end of the environmental rainbow is elusive. In 1989 and 1990 at least 19 environmental service outfits went public. But there are simply too many companies competing for too little business taking too long to develop.

Another iffy fad: office products chains. The office equipment and supplies market should grow just 7% in 1991, but a half-dozen firms—including Office Club, Staples and BizMart, none big enough yet for our tables—went public in 1989 and 1990, all planning giant discount outlets for legal pads, calculators and paper clips. They are struggling to expand past their regional strongholds. The competition has not helped established firms like United Stationers, whose latest 12-month profits fell 48%; by December its stock was off 50%.

Looking ahead, recent shakeouts might help some firms.

Making the world stick together

Layne Kennedy



Allen Jacobson of 3M

"The best defense of your home business is to compete with your competitors on their home ground," says Minnesota Mining & Manufacturing Chairman Allen Jacobson. "Don't sit here in North America and let them surprise you." Such thinking has kept 3M strong and innovative through good times and bad. Today 3M makes tapes, office products, medical equipment and chemicals in 41 foreign countries and sells in 53.

3M gets 47% of sales and 43% of profits from abroad. Jacobson says 3M makes 70% of its foreign-produced goods where they are sold. That exposes 3M to the vagaries of the dollar but shields it from almost anything but world recession.

Jacobson, 64, upholds 3M's "make a little, sell a little" ideal: 3M will wait "a generation" for a foreign business to succeed. After 25 years in Japan, 3M grosses $1 billion in that "closed" market. Some Japanese Post-it Notes are long and thin, so each person in the consensual management chain can write on them.

Of 3M's 38,000 overseas employees, 160 are Americans. "You don't try to run them [foreign subsidiaries] from the U.S.," says Jacobson. Some 75% of 3M's 36-member management committee has spent at least one year abroad. In the 1974-75 recession Jacobson helped run 3M's European and Canadian operations.

Using its 60,000 products to enter foreign markets, 3M also invents for local needs. Such products can be recycled for the U.S. Jacobson has high hopes for an inhaler for asthma patients, developed by 3M's European labs, and tape that can bind auto parts, invented by 3M in Germany.

Having the world at its disposal has other advantages. For example, 3M makes tape for disposable diapers in the U.S.—a market threatened by environmentalists. If cloth diapers and safety pins come back, 3M is ready: Its Brazilian unit has created a paper tape to replace safety pins. Now that's coverage.—J.Z.

Nashua, the photo finisher and paper supplier, sold an international office supplies operation for $202 million. PHH, a leasing and relocation firm, took a $14 million hit to ditch its facilities management unit. Xerox finally dumped its mismatched Crum & Forster insurance unit. And Avery International and Dennison Manufacturing merged in a stock swap, forming a $2.5 billion (sales) office products maker, Avery Dennison Corp.

Weak links: AM International, the graphics equipment maker, is struggling. Computer services firm Anacomp restructured $400 million in acquisition debt. National Education settled a barrage of lawsuits over its financial reporting at a net cost of $12 million. Volt Information Sciences, a technical services firm, reduced debt but kept losing money.

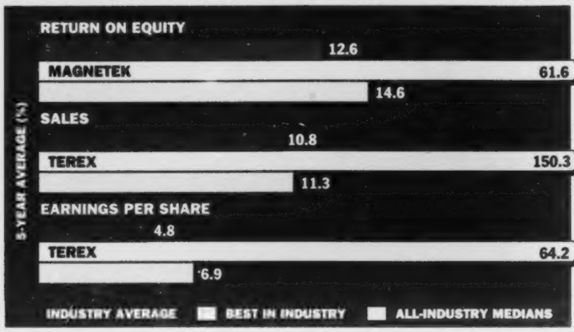
Service firms make money by saving money for other businesses, so a recession could help the stronger companies—like Kelly Services, Waste Management, JWP and Ogden—in this industry. But it could also kill the weaklings. ■

Business services & supplies	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		**Return on capital latest 12 mos %**	**Debt/ capital %**	**Sales**		**Earnings per share**		**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Company	**5-year average %**	**latest 12 mos %**			**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**			
Business services											
Rollins	**50.4**	37.3	28.0	0.0	**8.6**	7.7	**9.8**	16.3	426	27	6.4
Kelly Services	**31.6**	25.2	25.2	0.0	**13.2**	8.3	**22.7**	3.9	1,460	71	4.9
Olsten	**24.7**	17.4	12.8	34.8	**22.7**	4.6	**26.8**	–16.1	603	16	2.7
Pinkerton	**21.2a**	31.1	15.4	56.7	**33.9a**	NA	**NM**	NA	589	8	1.4
Adia Services	**18.2**	10.8	10.7	8.1	**29.0**	13.2	**25.7**	–15.3	657	18	2.7
Wackenhut	**15.4**	19.7	11.0	52.7	**10.7**	14.4	**NM**	22.9	508	7	1.3
PHH	**13.4**	10.4	6.9	60.7	**28.7**	9.1	**NM**	–27.0	1,977	38	1.9
American Building	**10.3**	13.6	11.7	20.7	**11.2**	6.7	**NM**	11.1	668	9	1.4
National Education	**10.3**	def	def	30.2	**23.4**	–12.6	**NM**	P-D	380	–44	def
Volt Info Sciences	**1.6**	1.7	4.9	52.2	**5.3**	9.3	**NM**	–49.0	514	2	0.3
Medians	**16.8**	**15.5**	**11.4**	**32.5**	**17.9**	**8.3**	**NM**	**–15.3**	**596**	**13**	**1.7**
Business supplies											
Deluxe	**30.8**	26.6	24.7	1.3	**14.4**	7.1	**12.3**	12.6	1,383	167	12.1
HON Industries	**22.7**	24.3	18.2	23.5	**7.5**	13.2	**14.7**	–29.6	656	30	4.6
Minn Mining & Mfg	**21.6**	22.1	20.2	3.6	**9.6**	9.3	**14.6**	6.9	12,695	1,305	10.3
Alco Standard	**20.2**	17.3	14.2	34.4	**2.3**	4.4	**23.8**	–35.0	4,320	106	2.5
Comdisco	**19.8**	15.3	11.9	55.3	**26.9**	15.3	**NM**	–18.7	1,935	85	4.4
Pitney Bowes	**19.6**	9.9	6.4	37.9	**11.5**	11.8	**9.3**	–44.9	3,142	141	4.5
Herman Miller	**19.5**	16.2	13.9	20.7	**14.0**	10.3	**6.6**	14.5	892	49	5.5
Interface	**19.0**	16.3	9.8	58.0	**43.4**	4.9	**30.6**	12.0	608	26	4.2
Wallace Computer Svs	**17.3**	16.1	14.2	6.3	**11.9**	4.6	**12.5**	5.7	449	40	8.8
Reynolds & Reynolds	**17.0**	19.8	8.7	30.9	**18.1**	–1.1	**NM**	–9.1	595	24	4.1
United Stationers	**16.3**	7.5	6.6	27.7	**16.9**	2.5	**10.5**	–48.1	993	13	1.3
Standard Register	**15.6**	12.1	10.7	11.3	**12.6**	0.9	**6.4**	–2.3	715	39	5.4
Moore Corp	**15.0**	10.6	9.8	3.4	**6.4**	6.0	**10.2**	–25.7	2,815	153	5.4
Avery Dennison	**13.4a**	10.7	9.2	17.6	**11.9a**	NA	**21.6a**	NA	2,531	98	3.9
Nashua	**12.7**	10.9	9.6	7.6	**NM**	–13.4	**6.7**	19.9	581	23	4.0
Mine Safety Appliance	**11.4**	11.8	10.1	7.7	**0.9**	10.3	**NM**	7.7	456	29	6.4
Diebold	**10.3**	7.6	7.3	0.8	**NM**	3.6	**–6.1**	–16.8	475	29	6.1
Xerox	**10.1**	2.2	5.3	45.9	**9.7**	3.3	**13.3**	–62.4	17,940	220	1.2
AM International	**1.4**	def	def	30.8	**9.5**	3.1	**NM**	P-D	877	–42	def
Anacomp	**def**	NE	def	109.8	**45.3**	3.1	**NM**	P-D	646	–164	def
Savin	**def**	def	def	57.7	**–3.3**	0.8	**NM**	D-D	365	–9	def
Smith Corona	**NA**	NA	NA	53.2	**17.8b**	–14.7	**NA**	–41.2	438	23	5.3
Medians	**16.3**	**11.8**	**9.8**	**25.6**	**11.7**	**4.4**	**9.3**	**–18.7**	**796**	**35**	**4.5**
Industrial services											
CDI	**25.8**	13.3	9.1	41.8	**18.9**	9.0	**24.3**	–32.4	932	14	1.5
Browning-Ferris Inds	**24.3**	def	0.1	47.9	**21.0**	16.3	**22.2**	P-D	2,967	–45	def
Waste Management	**24.2**	23.7	15.3	31.8	**28.5**	27.8	**27.3**	20.9	5,415	667	12.3
JWP	**24.2**	26.8	12.9	49.2	**83.2**	74.2	**51.2**	25.1	2,608	55	2.1
Safety-Kleen	**23.1**	19.2	13.0	35.2	**21.8**	20.5	**18.1**	9.6	551	51	9.2
Ecolab	**18.0**	3.4	4.6	32.7	**23.4**	7.4	**18.0**	–56.7	1,371	17	1.3
Figgie Intl	**17.6**	16.8	9.3	50.2	**13.1**	0.2	**23.6**	–7.1	1,342	49	3.7
Ogden	**16.4**	15.3	5.4	75.6	**NM**	19.8	**–15.0b**	–10.3	1,560	69	4.4
Millipore	**15.6**	13.3	11.3	19.0	**15.9**	4.1	**13.7**	3.2	683	54	7.9
CRSS	**7.9**	14.6	13.8	32.8	**14.7**	–18.5	**30.9**	–10.7	490	17	3.4
Air & Water Tech	**NA**	def	6.3	48.3	**12.0a**	–4.2	**NA**	D-D	582	–1	def
American Cap & Res	**NA**	17.4	13.6	54.0	**76.7**	29.3	**73.8**	12.5	543	11	2.1
Medians	**20.6**	**14.9**	**10.3**	**44.8**	**20.0**	**12.7**	**23.6**	**–8.7**	**1,137**	**33**	**2.8**
Industry medians	**17.3**	**13.6**	**10.1**	**32.7**	**13.6**	**6.9**	**11.4**	**–13.0**	**676**	**28**	**3.8**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

CAPITAL GOODS



Soft markets are hurting some of these manufacturers. Others in this industry are doing just fine.

By Zina Sawaya

THE AGGREGATE STATISTICS show a troubled capital goods industry. This crucial sector had to cope with only a 2% increase in overall U.S. capital spending last year, against a 7% gain in 1989. This sharp drop in orders has squeezed profits, especially for heavy equipment manufacturers.

Companies servicing the construction, automotive and defense industries are experiencing slower sales and earnings growth. At Caterpillar, earnings are going to be substantially lower in 1990 because of sluggish residential and commercial construction. Sudbury, which makes car and truck parts, has been particularly hit by the slowdown in the auto sector.

But this gloom and doom picture doesn't fit all the groups

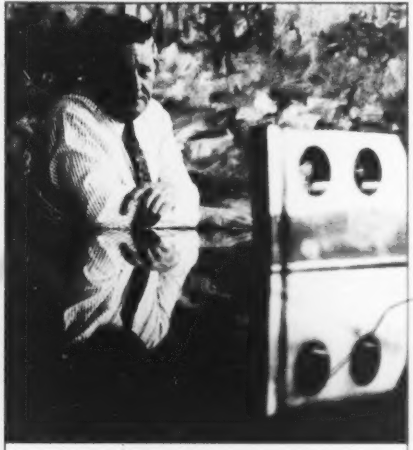
Capital goods	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Electrical equipment											
MagneTek	**61.6**	28.9	12.0	71.8	**47.3**	11.4	**85.9b**	43.1	1,083	34	3.2
Westinghouse	**23.6**	22.3	13.2	48.8	**3.5**	0.2	**21.3**	14.3	12,863	987	7.7
Hubbell	**19.9**	19.5	18.4	1.6	**6.9**	10.6	**12.7**	9.7	718	85	11.8
Emerson Electric	**19.8**	19.9	18.7	12.7	**11.9**	7.1	**8.9**	4.6	7,573	613	8.1
General Electric	**19.0**	20.5	12.7	41.8	**12.7**	6.4	**11.3**	13.4	57,361	4,237	7.4
WW Grainger	**17.6**	17.0	15.8	0.2	**10.8**	13.9	**13.7**	10.9	1,895	125	6.6
Willcox & Gibbs	**17.5**	11.9	8.2	42.0	**20.8**	9.1	**20.1**	−23.5	563	13	2.3
National Service	**16.9**	16.2	13.7	3.4	**7.0**	7.0	**8.7**	5.2	1,648	100	6.1
Square D	**16.7**	17.6	11.3	12.1	**4.6**	−2.8	**4.7**	−9.5	1,617	105	6.5
Federal Signal	**16.7**	22.3	19.4	9.1	**10.1**	7.4	**20.7**	33.5	435	29	6.7
Raychem	**13.8**	def	def	4.0	**13.2**	6.9	**10.2**	P-D	1,165	−113	def
Imo Industries	**8.4**	7.9	7.5	53.0	**17.5**	34.1	**NM**	−20.1	1,028	26	2.5
Honeywell	**7.7**	34.1	27.6	25.3	**NM**	−2.1	**NM**	D-P	6,246	665	10.6
MLX	**def**	def	def	85.2	**NM**	1.6	**NM**	P-D	462	−18	def
Genlyte Group	**NA**	20.3	9.3	67.8	**7.5**	0.3	**4.1**	−13.2	508	10	2.0
Medians	**17.2**	**19.5**	**12.7**	**25.3**	**10.1**	**7.0**	**10.2**	**5.2**	**1,165**	**85**	**6.5**
Heavy equipment											
Terex	**31.6**	23.0	9.6	70.3	**150.3**	84.9	**64.2**	9.3	1,098	19	1.8
Nacco Industries	**21.3**	16.8	8.5	66.4	**13.7**	45.2	**16.5**	14.7	1,380	51	3.7
Illinois Tool Works	**20.8**	20.3	15.4	29.3	**35.3**	15.4	**30.5**	11.9	2,427	178	7.3
Ametek	**20.3**	18.9	10.4	48.9	**13.9**	14.5	**4.9**	2.5	644	36	5.7
Dover	**19.1**	21.1	19.4	2.8	**10.5**	4.9	**12.3**	11.9	2,184	156	7.1
Crane	**18.1**	21.0	15.0	27.3	**15.3**	0.0	**22.0**	43.8	1,452	60	4.2
Stewart & Stevenson	**17.5**	18.9	17.3	17.9	**19.7**	13.3	**NM**	−1.3	635	29	4.6
Sudbury	**17.2**	0.0	3.9	65.9	**61.1**	−14.4	**NM**	D-Z	440	1	0.2
Applied Power	**16.8**	21.5	12.1	55.1	**19.7**	80.9	**49.0**	−2.0	445	20	4.4
Stanley Works	**15.7**	14.7	11.6	26.5	**13.0**	2.1	**9.0**	0.8	1,987	114	5.7
LB Foster	**15.4**	4.0	4.2	4.6	**−10.5**	−2.1	**NM**	−45.7	240	2	0.8
Lincoln Electric	**13.3**	12.8	10.3	9.0	**14.3**	12.7	**17.7**	−13.7	738	32	4.3
Donaldson	**13.1**	16.6	15.9	7.9	**9.9**	6.4	**11.2**	34.0	423	21	5.0
Parker Hannifin	**13.1**	12.1	9.9	29.8	**14.3**	0.0	**2.9**	15.6	2,496	116	4.6
Cooper Industries	**13.1**	12.0	9.2	33.6	**17.6**	23.2	**18.0**	11.0	6,003	342	5.7

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful.
a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

The electric company

Claudio Edinger/Gamma Liaison



Lawrence Bossidy of GE

It took two tries, but General Electric finally got what it wanted: most of Thorn EMI's European lighting business, for $138 million. GE will also benefit from Thorn's strength in fixtures, which will complement its own depth in lighting. The acquisition turned GE into the world's second-largest lighting manufacturer (after N.V. Philips).

General Electric's strategy is to be a global leader in its key businesses such as aerospace, jet engines, automation, plastics, lighting, appliances and financial services. "We want to be a major player," says Lawrence Bossidy, GE's vice chairman. Bossidy, 55, is responsible for GE's international business policy. Indeed, through acquisitions and joint ventures, GE now has manufacturing facilities in 19 countries, enabling it to efficiently service its local markets.

GE has always been a leading exporter. But prior to 1986 it had limited operations outside the U.S. The main exceptions were a plastics plant in the Netherlands and a joint venture with Snecma of France to make jet engines. With next year's integration of the European market and the opening of Eastern Europe, GE went on a shopping spree.

Since 1987 GE made over 15 acquisitions and joint ventures, mostly with European companies that had a global presence. Its 1989 venture with Ericsson of Sweden, for instance, made it a leading supplier of cellular telephones. That year it joined with GEC of the U.K. to make appliances and acquired 50% of the Hungarian lighting company Tungsram.

In 1987 GE formed a venture with Fanuc of Japan to make automation equipment, and in 1988 GE Lighting teamed up with Toshiba.

GE is looking for alliances in the Soviet Union to make medical equipment. Already, GE has more than $100 million in sales in that country, mostly plastics and gas turbines. In 1989 GE's foreign revenues amounted to $14 billion, a 67% increase since 1986. Foreign operating income now contributes 40% of total operating profits.

As it expands internationally, GE is adopting a new policy of training and promoting foreign nationals instead of relying on expatriate U.S. managers. Says Bossidy: "We want to have global brains and local faces."—Z.S.

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in this sector. A weak dollar stimulated exports of some capital goods. Electrical equipment companies like MagneTek and Federal Signal reported significant earnings gains. Profits are also healthy for companies supplying the aerospace, telecommunications, power generation and oil and gas sectors.

General Electric is benefiting from a strong demand for commercial jet engines. Hubbell's telecommunications business was up 20% over last year. Deere & Co. is prospering on a rebound in demand for agricultural equipment.

Defense spending was flat in 1990 and domestic defense spending was budgeted for further cutbacks, which will affect smaller defense suppliers more than the large contractors covered in this issue. But all that could change as the crisis in

Capital goods	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/ capital %**	**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Tecumseh Products	**12.8**	4.5	4.4	3.4	**10.7**	–2.0	**4.7**	–62.2	1,392	31	2.2
Ingersoll-Rand	**12.6**	14.6	11.8	13.8	**5.9**	8.7	**26.9**	6.6	3,664	204	5.6
Thermo Electron	**12.3**	13.1	9.6	36.1	**20.6**	14.2	**23.2**	22.5	654	32	4.8
Kennametal	**12.1**	15.0	12.2	22.8	**7.6**	22.0	**22.2**	6.1	605	33	5.4
Zurn Industries	**12.1**	12.3	11.6	4.9	**10.7**	17.9	**10.1**	5.1	655	28	4.3
Trinova	**11.9**	9.8	8.6	22.3	**NM**	0.1	**–8.6**	80.4	1,965	61	3.1
Caterpillar	**11.4**	6.8	6.2	34.3	**12.3**	3.8	**46.8a**	–44.7	11,441	306	2.7
Trinity Industries	**11.3**	9.7	6.8	44.4	**25.8**	5.6	**NM**	–42.3	1,285	28	2.2
Tenneco	**10.5**	19.1	9.5	53.1	**–2.0**	5.3	**NM**	–29.4	14,519	636	4.4
Interlake	**10.1**	NE	3.1	150.7	**1.9**	–12.2	**8.8**	P-D	822	–18	def
Bearings	**10.0**	6.9	6.5	0.0	**5.7**	8.9	**18.0**	–49.6	701	9	1.3
General Signal	**9.4**	5.3	5.9	43.8	**NM**	–7.8	**NM**	–62.0	1,756	27	1.5
Goulds Pumps	**8.9**	0.9	2.1	22.5	**11.9**	8.2	**NM**	–93.8	537	2	0.3
Commercial Intertech	**8.2**	6.5	7.3	15.3	**19.1**	3.1	**NM**	–50.3	441	14	3.1
Deere & Co	**6.7**	15.8	12.0	32.2	**13.5a**	12.5	**NM**	21.5	7,815	440	5.6

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Radio Shack
TRS-80, 1977

GRiD Compass, 1981

Radio Shack
Model 100, 1983

Tandy 1000, 1984

Tandy 5000 MC, 1988

GRiDPAD, 1989

Victor M Series, 1990

Tandy 1000 RL, 1990

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The near-term outlook for capital goods companies still remains mixed. The recent Clean Air Act should boost orders for gas turbines, favoring companies like Stewart & Stevenson. Oil and gas drilling may not return to the heady days of the early 1980s, but the Middle East unrest should insure a steady stream of business for companies like Cooper Industries, McDermott International and others that make oilfield equipment.

Capital goods companies should be able to weather a recession better than they did a decade ago. Says County NatWest analyst Nicholas Heymann, "They have much lower inventories, and overall they have better product mixes than in the past." ■

Capital goods	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		**Return on capital latest 12 mos %**	**Debt/ capital %**	**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**			**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Varity	**6.7**	21.6	10.9	49.1	**13.7**	39.8	**NM**	37.9	3,087	110	3.6
Harnischfeger Inds	**5.8**	13.0	12.3	14.5	**31.2**	25.4	**NM**	44.1	1,703	66	3.9
Foster Wheeler	**5.7**	7.9	6.0	34.8	**–2.3**	20.1	**NM**	16.9	1,468	37	2.5
Clark Equipment	**2.9**	11.3	10.7	8.5	**9.7**	7.1	**NM**	7.5	1,456	62	4.3
Timken	**2.5**	4.0	3.8	6.1	**7.9**	–1.5	**NM**	–55.1	1,592	43	2.7
Cincinnati Milacron	**def**	2.9	4.9	35.4	**5.0**	–0.1	**NM**	–67.9	844	7	0.8
Allied Products	**def**	def	def	23.3	**17.0**	–13.2	**NM**	D-D	518	–22	def
Ampco-Pittsburgh	**def**	6.0	6.4	22.3	**–14.1**	–4.1	**NM**	D-P	220	8	3.4
McDermott Intl	**def**	def	2.9	45.7	**–6.2**	2.6	**NM**	D-D	2,790	–9	def
Cross & Trecker	**def**	def	def	13.1	**8.0**	–5.7	**NM**	D-D	431	–8	def
Eagle-Picher Inds	**def**	NE	18.7	43.5	**3.1**	–7.6	**NM**	D-P	700	49	6.9
Medians	**11.9**	**12.0**	**9.5**	**27.3**	**11.9**	**5.6**	**–8.6**	**2.5**	**1,285**	**32**	**3.7**
Industry medians	**12.6**	**12.9**	**9.7**	**26.9**	**10.8**	**6.6**	**4.8**	**4.8**	**1,225**	**34**	**4.0**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

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Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

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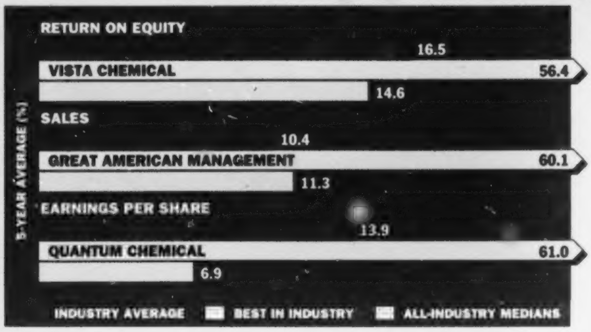


A slowing economy, higher feedstock prices and new environmental regulations cut into profits but not sales.

By Philip Glouchevitch

RECORD SALES LAST YEAR couldn't prevent the chemical industry's first decline in profits since 1985. The Chemical Manufacturers Association estimates that the decline could be as much as 23%—results that haven't gone unnoticed on Wall Street. As a group, share prices of the chemical companies in this survey fell 16% between Aug. 1 and Nov. 14. In contrast, the S&P 500 was off only 10%.

The slump in chemical stocks wasn't across the board. As 1990 drew to a close, some specialty chemical stocks were enjoying a late rebound. Great Lakes, Betz, Morton, Lubrizol and Fuller were among the stocks coming within a few points of their highs for the year. Specialty chemical manufacturers are less affected by the price of oil than chemical companies that depend on commodity petrochemicals such as ethylene.

Chemical firms are also facing higher pollution abatement expenses—which are expected to rise to $6 billion by 1995 from just over $3 billion in 1989. These costs will hit all companies in this industry, though some, like Dow and

Formula for foreign growth

Great Lakes Chemical, Inc., based in West Lafayette, Ind., has been around since 1936, but as recently as 1986 foreign markets contributed only 21% of its sales and income. Since then, Chairman Emerson Kampen, 62, has used strong cash flows and modest debt—only around 7% of capital—to expand global operations.

Great Lakes' first foreign venture was in 1969 with German chemical giant BASF to sell flame-retardant products abroad. It bought out BASF's share in 1986.

Bromine-based specialty chemicals are the mainstays of Great Lakes' business. But the company has also diversified into furfural—a liquid used to produce resins for casting metals: QO Chemical, acquired in 1987 after it had been spun off from Quaker Oats, does over half its business overseas.

In 1989 Great Lakes Chemical bought a 52% stake in U.K.-based Octel Associates, which produces alkaline leads used in the gasoline refining process. Kampen purchased the Octel stake from a consortium of five major oil companies—BP, Mobil, Chevron, Shell and Texaco.

Was Octel a smart buy? Leaded gasoline is gradually being phased out of the European Community within the next few years. But demand remains strong in developing countries. And Octel Associates is Europe's leading bromine producer, a business Kampen believes has great potential for developing other specialty chemicals.

Paul Meridith

Emerson Kampen of Great Lakes Chemical

Octel's profit margins have increased over 50% since Great Lakes bought in. "I would gladly buy more of the company, but I don't think the oil companies will sell it cheaply now that we've made it so profitable," says Kampen. Great Lakes' sales topped $1 billion in 1990, with over 60% from overseas. Analysts figure 1990 earnings—also 60% foreign-derived—reached $140 million.

To guide the foreign operations, Kampen spends about 20% of his time abroad and relies on the advice of key executives who have worked in the U.S. but live overseas. And Kampen makes it clear to employees that a foreign assignment is no one-way ticket: "Someone in the German technical service department is as visible to me—maybe even more so—as his counterpart in Indiana."

Simple but effective chemistry.—P.G.

Georgia Gulf, are going further by buying out homeowners living near chemical plants, minimizing liability.

The industry employs more than 1 million workers—about 5% of the manufacturing total—and is a lynchpin of U.S. foreign trade. In 1989 chemical firms contributed $22 billion to the national accounts (the overall deficit is $110 billion). But even this export market is vulnerable: The nature of certain commodity chemicals makes the market attractive for emerging industrial countries like Taiwan or Korea, and this will continue to put pressure on the U.S. manufacturers.

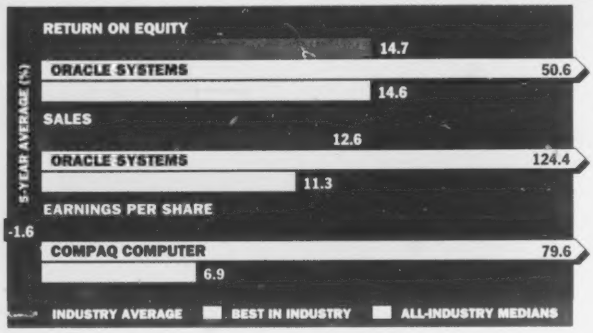
Unlike previous years, chemical stocks scarcely benefited from mergers or restructurings. The only notable acquisition came last March, when Mitsubishi bought Aristech Chemical for $970 million. ■

Chemicals	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Diversified											
Union Carbide	32.2	14.4	9.2	39.2	NM	–2.3	NM	–50.5	8,596	348	4.1
Dow Chemical	29.8	19.0	14.8	32.9	10.4	7.1	42.2	–42.6	18,890	1,537	8.1
Valspar	22.3	22.8	17.6	23.3	17.0	13.6	17.6	18.3	569	25	4.5
A Schulman	20.8	21.9	20.1	2.9	17.0	8.7	24.9	17.0	679	36	5.3
Quantum Chemical	17.8	NE	6.7	93.6	9.6	–11.7	61.0	–91.3	2,517	30	1.2
Rohm & Haas	17.6	14.6	10.7	20.4	5.9	5.2	8.4	–3.4	2,770	191	6.9
Univar	15.1	16.9	11.5	44.5	24.8	2.3	14.2	11.4	1,389	23	1.6
EI du Pont de Nemours	14.6	15.1	10.7	21.3	3.4	7.1	15.7	–2.7	37,428	2,325	6.2
American Cyanamid	14.3	14.4	12.2	14.5	5.9	–4.1	14.9	2.6	4,584	335	7.3
Monsanto	14.0	15.6	11.4	25.0	6.0	2.9	24.1b	–0.7	8,800	605	6.9
Olin	12.3	14.7	10.3	32.5	5.7	0.8	22.9b	–6.7	2,552	107	4.2
Hercules	12.0	def	def	21.3	3.5	2.8	NM	P-D	3,152	–133	def
BF Goodrich	9.9	11.9	9.8	13.3	–7.6	–1.3	142.0b	–19.4	2,431	149	6.1
First Mississippi	9.5	4.0	4.0	33.9	8.5	16.7	NM	–39.1	530	8	1.5
FMC	4.3	NE	18.4	86.8	NM	2.6	37.1	0.0	3,564	161	4.5
Medians	**14.6**	**14.6**	**10.7**	**25.0**	**5.9**	**2.8**	**17.6**	**–3.4**	**2,770**	**149**	**4.5**
Specialized											
Georgia Gulf	78.4a	31.4	39.3	251.5	14.7	–17.3	74.6a	–45.6	946	118	12.4
Vista Chemical	56.4	NE	17.2	106.8	9.3	–7.7	NM	–35.4	719	59	8.2
Wellman	41.7a	20.6	12.6	45.2	32.6b	123.1	52.0b	20.6	791	66	8.4
Valhi	34.5	24.9	12.1	80.2	52.4	–19.3	46.6	–43.8	1,817	71	3.9
Sigma-Aldrich	26.9	22.8	18.9	16.1	19.9	23.1	23.7	12.7	491	68	13.9
Great Lakes Chemical	23.1	23.0	25.4	6.8	25.0	41.7	30.9	13.5	1,003	136	13.5
Freeport-McMoRan	22.8	90.5	18.1	43.2	20.6	–18.2	23.6	122.9	1,669	326	19.6
Loctite	22.5	25.0	22.7	11.1	15.9	14.8	20.6	12.3	534	65	12.1
Betz Laboratories	22.0	22.3	20.3	0.0	11.4	13.8	9.4	16.0	573	63	11.0
Nalco Chemical	21.9	27.0	18.6	6.2	11.0	11.5	10.6	13.1	1,170	128	11.0
Ethyl	21.1	25.5	15.5	36.1	11.3	4.9	23.7	9.1	2,482	228	9.2
Chemed	21.0	11.9	10.9	14.1	11.0	0.6	NM	–23.1	596	20	3.4
Pall	20.6	17.8	15.7	10.9	15.6	13.6	13.6	13.9	564	66	11.7
Intl Flavors & Frags	19.9	19.9	19.5	0.0	14.5	8.1	16.2	9.9	932	152	16.3
Morton International	16.9	14.9	12.8	19.1	7.5	20.6	NM	57.4	1,736	143	8.2
RPM	16.6	18.3	def	36.3	19.3	21.3	12.6	11.6	469	29	6.1
NCH	16.5	19.9	18.7	5.7	12.3	10.3	25.2	13.7	645	41	6.3
Lubrizol	16.2	27.1	23.6	6.6	7.5	11.2	13.4	20.6	1,362	174	12.8
Ferro	14.8	8.8	8.9	13.0	12.0	3.6	33.4	–32.8	1,113	33	3.0
Air Prods & Chems	14.7	15.8	10.0	31.4	9.0	9.6	13.3	2.7	2,895	230	7.9
Dexter	14.0	12.9	10.4	27.6	7.5	4.8	7.0	–2.9	885	41	4.7
HB Fuller	13.1	10.4	8.6	31.9	11.9	4.6	7.4	27.8	779	19	2.5
Witco	11.0	5.4	4.6	26.2	1.8	0.4	–6.8	–61.4	1,598	28	1.8
MA Hanna	9.1	9.8	10.0	17.4	51.0	3.7	NM	–42.3	1,119	54	4.9
WR Grace	9.0	12.2	9.8	48.6	NM	7.9	NM	–14.9	6,527	211	3.2
Cabot	5.9	12.8	9.8	35.4	3.2	–13.6	–33.9b	396.4	1,673	71	4.3
Imcera Group	5.4	8.3	7.0	46.2	–6.1	38.3	NM	–21.4	1,489	67	4.5
DeSoto	1.0	6.6	6.4	33.5	NM	5.7	NM	D-P	427	6	1.3
Great American Mgmt	0.5	21.0	14.7	79.5	60.1	27.7	NM	500.0+	2,092	41	2.0
Inspiration Resource	def	0.8	2.6	26.3	8.9	2.5	NM	–87.0	1,394	4	0.3
IMC Fertilizer Group	NA	10.8	9.3	31.5	3.4	–6.9	NA	–32.1	1,121	86	7.6
Lyondell Petrochem	NA	500.0+	49.8	91.3	5.3	13.1	NA	NA	5,835	347	6.0
NL Industries	NA	78.0	19.0	76.8	17.5	–7.8	52.5	–43.5	919	104	11.3
Rexene	NA	NE	5.0	116.8	10.9	–21.8	NA	NA	513	–13	def
Sterling Chemicals	NA	54.3	30.4	35.2	NA	–12.9	NA	–39.5	506	59	11.7
Medians	**16.8**	**18.3**	**12.8**	**31.5**	**11.3**	**5.7**	**12.6**	**9.9**	**1,003**	**66**	**7.6**
Industry medians	**16.5**	**15.3**	**11.8**	**31.4**	**10.4**	**4.9**	**13.9**	**–0.4**	**1,266**	**68**	**6.1**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

COMPUTERS & COMMUNICATIONS



Some of the best computer companies didn't exist a decade ago.

By Julie Pitta

LAST YEAR WAS BRUTAL FOR COMPUTER VETERANS Data General, Digital Equipment, Unisys and Wang Laboratories. Each based much of its fortunes on older technology—mainframes and minicomputers—and failed to move quickly into fast-growing areas like workstations and microcomputers.

Even IBM was forced to break with tradition and initiate a staff-reduction program in late 1989. Unisys said it will let go of 5,000 workers by mid-1991. Paternalistic Digital and Hewlett-Packard may have to reconsider their "no layoff" policies. Weaker outfits like Data General and Wang will find it increasingly difficult to go it alone. In December AT&T, its own computer business failing, began a hostile bid for NCR.

Running the right program

Back in 1985 Compaq Computer Corp. had $500 million in sales. Only five years later Compaq's revenues shot over the $3 billion mark for the first time. Cofounder and Chief Executive Joseph Rodney Canion credits the firm's European expansion for this phenomenal growth.

Before 1984 Compaq wasn't even a player in Europe. Then the company called upon Eckhard Pfeiffer, who headed Texas Instruments' international marketing efforts before Canion—also a TI alumnus—hired him away in 1983. Pfeiffer explains that he left Houston six years ago "with a plane ticket for Munich and a check for $20,000 in my pocket." By then the European market was crowded with U.S. companies like IBM, Digital Equipment and Hewlett-Packard as well as nationals such as Olivetti. Canion worried that Pfeiffer might be too late.

But Canion's fears were unfounded. Pfeiffer set about creating a European distribution network that mirrored Compaq's U.S. operations. And he helped convince Canion to build a plant in the U.K. Compaq's international revenues are expected to reach $2 billion in 1990, with 93% of that coming from Europe. According to Inteco, a British market research firm, Compaq now has a 14% share of the European market—second only to IBM—and it is gaining.

Compaq moved first into established countries like France, West Germany and the U.K. Pfeiffer won over large dealers with joint marketing programs and superior service. Today Compaq has established wholly owned subsidiaries in all Western European countries, excluding Portugal and Greece. Pfeiffer's international organization numbers 3,000 employees.

But don't look for Compaq to leap into Eastern Europe or the Soviet Union, as many others are promising to do. "It takes time to remove barriers," says Pfeiffer. "For example, in Russian and many Eastern European companies you cannot have majority ownership. Who would want to make that kind of investment without being able to protect it?" Compaq will move deliberately. Says Canion: "We've done it carefully and slowly, but we did it."—**J.P.**

Reid Horn

Eckhard Pfeiffer of Compaq Computer

"You can't innovate at your own pace," says Edward Zander, marketing vice president at Sun Microsystems, the workstation maker. Yet the U.S. mainframe business—dominated by IBM—still generated an estimated $13 billion in sales.

The most vibrant computer market was the one for personal computers. It was fueled by demand for portable computers, networking and "user-friendly" software. The pricing war among the IBM-clone makers continued to intensify. Even Apple played the pricing game with a low-cost version of its Macintosh.

Chip supplier Intel fared better than many PC manufacturers. The market migrated to Intel's proprietary family of 80386 microprocessors. But Intel, too, may be subjected to competition. It is now locked in a legal battle against Ad-

Computers & communications	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity				Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Hardware											
Conner Peripherals	46.4b	40.3	30.9	9.8	NA	99.0	NM	130.7	1,145	97	8.5
Everex Systems	44.3	20.9	19.8	6.6	110.4a	15.7	81.3a	13.2	437	24	5.6
Compaq Computer	42.7	30.5	26.5	4.0	56.8	22.9	79.6	11.1	3,385	399	11.8
Mark IV Industries	40.9	36.2	14.2	78.3	74.2	–10.2	62.5	175.5	848	61	7.2
Apple Computer	37.2	32.0	25.7	0.0	28.7	5.2	55.0	6.8	5,558	475	8.5
Merisel	29.8	6.9	6.9	52.8	31.7	76.0	42.6b	–63.6	1,024	3	0.3
Micron Technology	27.4	1.0	1.6	12.6	44.6	–25.3	NM	–95.4	333	5	1.5
Cray Research	24.8	21.7	18.4	14.9	27.0	12.0	17.5	13.6	880	132	15.0
EG&G	23.5	20.9	20.1	2.1	8.4	41.4	5.1	7.2	2,283	72	3.2
Premier Industrial	23.1	32.8	30.2	2.4	8.8	4.1	16.3	10.4	631	76	12.0
Sun Microsystems	22.5	15.7	14.2	25.6	102.8	36.0	67.2	145.6	2,605	132	5.1
Seagate Technology	21.0	17.3	12.8	38.9	44.9	84.1	NM	11.2	2,664	108	4.0
Western Digital	20.0	7.9	6.7	29.1	56.9	7.9	NM	–30.5	1,071	24	2.3
AMP	19.9	17.8	16.6	3.8	11.5	4.7	16.6	–1.8	2,945	290	9.8
3Com	19.7a	11.1	10.9	0.3	75.4	11.0	71.0	–13.4	436	24	5.6
Amdahl	18.9	13.8	12.1	3.7	24.3	5.9	47.5	–6.9	2,140	164	7.7
Quantum	18.8	33.3	36.8	0.0	27.9	78.1	10.4	66.5	596	59	9.9
Vishay Intertech	18.8	17.8	11.2	43.7	54.1	6.9	22.4	22.3	440	22	5.0
NCR	18.4	20.3	17.2	10.7	9.0	3.4	13.1	9.0	6,178	405	6.6
Thomas & Betts	18.1	14.2	12.6	12.2	13.0	10.8	8.2	–14.1	593	48	8.1
AST Research	17.6	30.5	21.0	12.2	46.2	20.1	NM	D-P	556	44	7.9
Molex	17.0	14.2	13.9	1.5	20.2	7.8	12.8	14.2	622	64	10.4
Intel	16.7	22.0	20.6	8.8	18.4	27.4	NM	60.8	3,770	609	16.2
Digital Equipment	16.2	def	def	1.8	18.6	–0.2	29.0	P-D	12,905	–50	def
Hewlett-Packard	16.2	13.4	12.3	2.1	14.6	11.2	10.3	–13.1	13,233	739	5.6
Marshall Industries	16.1	14.9	12.6	27.2	16.7	6.3	17.0	7.9	563	20	3.6
Maxtor	16.1	12.3	9.9	36.3	61.7	57.3	NM	109.1	652	20	3.1
Applied Materials	15.6	15.9	15.2	13.5	25.0	20.3	NM	–22.1	568	43	7.5
Dynatech	15.4	11.5	9.8	38.6	16.2	17.4	–6.4	35.0	471	16	3.3
Texas Instruments	15.4	0.9	1.9	21.2	4.4	0.7	48.8b	–94.1	6,532	53	0.8
Intergraph	15.3	10.6	10.4	1.2	15.7	18.4	4.6	–9.5	984	67	6.8
SCI Systems	14.1	8.7	6.9	61.8	16.4	12.3	10.8	118.2	1,179	15	1.3
Northern Telecom	13.8	15.4	12.4	17.3	11.4	14.1	NM	142.3	6,675	441	6.6
IBM	13.8	10.8	8.5	20.1	6.4	5.1	–7.8	–22.9	66,419	4,150	6.3
Tandem Computers	13.7	11.0	10.8	2.5	26.2	14.3	22.2	–3.4	1,866	122	6.5
Motorola	12.3	13.7	11.8	15.2	12.6	15.5	20.1	5.8	10,603	522	4.9
Scientific-Atlanta	11.7	15.0	14.9	0.8	6.1	5.4	NM	8.6	598	41	6.9
Carlisle Cos	11.5	10.5	10.3	18.9	2.6	7.0	NM	4.2	602	22	3.6
Silicon Graphics	10.8	16.9	15.4	13.0	88.0	46.8	94.6b	104.4	449	37	8.2
Analog Devices	10.0	3.2	3.0	1.0	8.6	0.0	NM	–70.4	458	11	2.4
MAI Systems	9.0a	0.9	6.2	57.2	10.0	346.1	NM	D-P	653	3	0.4
Penn Central	6.9	5.7	5.9	21.8	–10.8	20.2	NM	–32.8	2,072	103	5.0
Wyle Laboratories	6.9	12.6	10.3	25.5	6.9	8.7	20.9b	98.4	442	12	2.8
Avnet	6.4	7.7	7.1	20.6	4.1	–6.1	NM	–1.2	1,752	58	3.3
Bell Industries	6.0	8.0	7.9	20.9	8.0	–2.7	NM	53.8	398	8	2.1
Harris Corp	6.0	12.0	10.3	21.0	NM	21.7	–17.6	352.9	3,049	123	4.0
Varian Associates	5.1	def	0.2	14.9	7.4	–6.5	NM	P-D	1,256	–4	def
Perkin-Elmer	3.6	7.8	6.9	13.3	–6.5	6.8	NM	D-P	838	44	5.3
Tektronix	3.2	def	def	26.4	1.0	–0.7	–25.5	P-D	1,417	–81	def
M/A-Com	1.1	def	def	45.8	–13.6	–15.1	NM	P-D	375	–105	def
LSI Logic	1.0	3.3	5.0	31.2	43.4	15.5	NM	D-P	610	10	1.6
Unisys	1.0	def	def	41.1	18.7	1.4	NM	D-D	10,147	–314	def
Teradyne	0.1	def	def	11.8	6.6	–9.6	NM	P-D	450	–22	def
Itel	def	2.7	6.2	83.8	85.3	11.1	NM	82.6	2,256	27	1.2
Advanced Micro	def	def	1.1	15.3	3.3	1.0	NM	D-D	1,079	1	0.1

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

vanced Micro Devices, which has come up with a reverse-engineered version of the 386 chip.

The large installed base of personal computer users didn't curb their voracious demand for software. Microsoft introduced a more versatile version of Windows, a graphical user interface program that uses pictures instead of typed keyboard commands. Microsoft earned $317 million on sales of $1.3 billion, making it only the second software company to top $1 billion in sales. Despite healthy earnings growth, Lotus Development began to feel the pinch from Microsoft's Excel and Borland International's Quattro Pro—spreadsheet programs that rival Lotus 1-2-3.

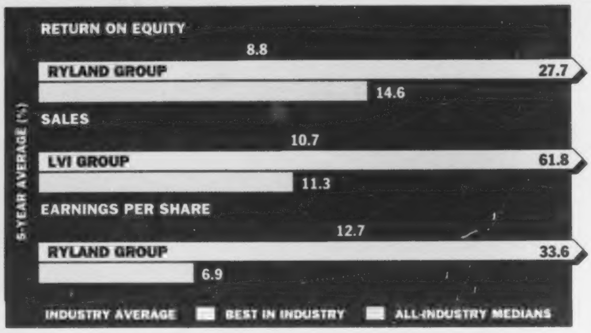
Telecommunications companies should benefit from new opportunities abroad. Japan, the Soviet Union, France, Germany and Great Britain are all candidates for major upgrades to their telephone networks. Eastern European countries, in serious need of new telephone equipment, offer significant potential. Deregulation, pioneered in the U.S., is being embraced elsewhere. New long-distance carriers are emerging in Germany, Japan, England and Canada. ■

Computers & communications	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		**Return on capital latest 12 mos %**	**Debt/capital %**	**Sales**		**Earnings per share**		**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Company	**5-year average %**	**latest 12 mos %**			**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**			
Natl Semiconductor	**def**	def	def	3.8	**3.4**	7.5	**NM**	D-D	1,720	–169	def
Atari	**def**	6.0	4.7	46.8	**31.6a**	6.1	**NM**	D-P	430	5	1.2
Arrow Electronics	**def**	4.4	6.7	55.8	**9.2**	5.0	**NM**	D-P	974	10	1.0
Zenith Electronics	**def**	def	def	29.5	**NM**	–24.2	**NM**	D-D	1,475	–65	def
Wang Laboratories	**def**	def	def	55.2	**6.6**	–10.4	**NM**	D-D	2,464	–651	def
Data General	**def**	def	def	12.3	**2.7**	–7.5	**NM**	D-D	1,216	–140	def
Sprague Technologies	**def**	def	def	21.4	**–6.9**	–19.7	**NM**	D-D	319	–47	def
Datapoint	**def**	def	def	53.2	**–10.1**	–14.5	**NM**	D-D	267	–89	def
Control Data	**def**	def	def	30.6	**–3.6**	–46.6	**NM**	D-D	1,785	–170	def
TIE/communications	**def**	def	def	43.6	**–13.1**	–30.7	**NM**	D-D	165	–57	def
Storage Technology	**def**	15.5	12.4	31.0	**5.4**	16.0	**–28.2b**	31.6	1,101	59	5.4
Medians	**13.8**	**10.9**	**10.1**	**18.1**	**12.6**	**7.2**	**NM**	**6.3**	**1,048**	**26**	**3.6**
Software											
Oracle Systems	**50.6**	20.9	19.4	30.2	**124.4**	49.5	**NM**	–23.1	999	70	7.0
Microsoft	**50.4**	39.5	42.9	0.0	**55.4**	52.8	**56.7**	60.9	1,318	317	24.1
Novell	**46.6**	31.2	27.0	14.9	**87.7**	18.1	**61.9**	81.3	468	76	16.2
Lotus Development	**36.1**	29.3	18.8	31.9	**28.8**	25.0	**18.1**	73.5	648	84	13.0
Computer Associates	**30.4**	17.1	15.4	2.2	**45.0**	5.8	**49.4**	8.3	1,276	169	13.2
Automatic Data	**19.4**	20.8	17.9	6.5	**13.8**	2.4	**19.5**	13.9	1,725	216	12.5
General Motors EDS	**17.3**	11.2	20.0	8.3	**32.3**	9.7	**35.8**	16.4	5,747	483	8.4
First Financial Mgmt	**16.8**	13.1	8.1	67.9	**94.9**	73.6	**46.9**	19.1	1,218	66	5.4
Computer Sciences	**15.2**	14.3	12.7	19.3	**15.6**	13.7	**17.9**	18.8	1,614	66	4.1
Medians	**30.4**	**20.8**	**18.8**	**14.9**	**45.0**	**18.1**	**35.8**	**18.8**	**1,276**	**84**	**12.5**
Telecommunications											
Centel	**24.9**	25.4	12.4	47.7	**–3.5**	23.0	**22.3**	19.4	1,296	280	21.6
MCI Communications	**24.0**	17.6	10.4	45.4	**26.3**	19.3	**NM**	–49.5	7,387	315	4.3
Alltel	**17.3**	16.8	11.2	38.3	**14.3**	32.6	**12.6**	11.6	1,559	185	11.9
Cincinnati Bell	**17.1**	15.3	9.4	35.2	**15.8**	10.2	**16.6**	0.0	957	88	9.2
United Telecom	**15.9**	15.8	8.0	50.3	**22.0**	12.5	**NM**	–49.1	8,195	339	4.1
Ameritech	**15.9**	15.7	9.2	27.9	**3.8**	4.5	**6.6**	7.5	10,571	1,299	12.3
Contel	**15.0**	12.7	8.3	56.7	**5.3**	7.2	**NM**	–16.4	3,356	212	6.3
So N England Telecom	**14.8**	11.5	6.9	33.6	**5.8**	–2.1	**8.6**	–25.2	1,636	138	8.4
Pacific Telesis	**14.6**	14.0	8.4	30.0	**4.0**	2.1	**6.8**	2.1	9,750	1,156	11.9
BellSouth	**14.4**	13.3	8.5	27.4	**8.1**	2.5	**4.3**	3.7	14,310	1,740	12.2
GTE	**14.4**	17.0	8.7	40.4	**3.1**	6.7	**5.9b**	12.1	18,259	1,519	8.3
US West	**14.3**	13.8	7.9	32.0	**5.7**	3.8	**6.3**	11.1	9,859	1,195	12.1
Bell Atlantic	**13.8**	12.1	7.1	34.1	**6.9**	6.6	**3.2**	–13.8	12,082	1,134	9.4
Rochester Telephone	**13.7**	11.0	7.1	38.5	**8.5**	8.4	**NM**	–20.1	588	48	8.2
Southwestern Bell	**13.2**	12.8	8.0	27.5	**3.4**	4.6	**3.3**	2.5	8,990	1,131	12.6
Nynex	**12.5**	8.9	6.2	32.8	**6.9**	3.4	**NM**	–29.8	13,532	845	6.2
American Tel & Tel	**8.6**	21.3	13.1	32.4	**1.2**	1.1	**18.5**	D-P	36,573	2,742	7.5
DSC Communications	**7.0**	12.0	9.2	36.7	**5.9**	24.2	**35.0b**	52.0	494	32	6.6
McCaw Cellular	**def**	41.3	25.3	58.4	**105.4**	100.8	**NM**	D-P	890	462	51.9
Western Union	**def**	NE	def	NE	**–10.0**	–10.6	**NM**	D-D	591	–86	def
Communications Trans	**def**[b]	NE	def	82.2	**77.8**	–2.9	**NM**	D-D	401	–64	def
Medians	**14.4**	**13.8**	**8.4**	**35.2**	**5.9**	**6.6**	**4.3**	**2.1**	**7,387**	**339**	**8.4**
Industry medians	**14.7**	**12.8**	**9.6**	**23.7**	**12.6**	**7.3**	**–1.6**	**7.0**	**1,217**	**60**	**5.5**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

CONSTRUCTION



Don't expect the building slump to end until mid-1991 at the earliest. When the recovery does come, it will be mild and led, as usual, by housing.

By Claire Poole

JUST AS THE ALREADY SICK CONSTRUCTION SECTOR began to stabilize in mid-1990, recession took it down again in the fourth quarter and for the year. According to McGraw-Hill's Construction Information Group, total contracts dropped an estimated 9% last year, to $245 billion.

Yet the outlook is not entirely dreary. George Christie, chief economist of McGraw-Hill's forecasting group, thinks a mild recovery is not too many months around the corner. While Christie is projecting another drop of 2% for all of 1991, he believes building contracts will begin to rebound in the third quarter to their mid-1990 levels. For 1992 Christie expects a 15% increase.

Why? Falling interest rates, mainly. The fortunes of the construction sector won't improve without a rebound in housing, the biggest contributor to the group. In October construction of homes and apartments dropped to the lowest level since June 1982. But by mid-1991, if mortgage rates work their way down to as low as 9% and the economy is on the mend, housing could show a slight bounce. By 1992 housing contracts could begin to grow, but at around 20%—

Construction	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		**Return on capital latest 12 mos %**	**Debt/capital %**	**Sales**		**Earnings per share**		**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Company	**5-year average %**	**latest 12 mos %**			**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**			
Commercial builders											
Blount	**17.9**	7.8	6.9	34.8	**NM**	−25.0	**26.3**	−81.8	665	12	1.9
Apogee Enterprises	**17.4**	16.7	13.9	26.3	**21.1**	16.3	**18.7**	14.4	603	16	2.7
Jacobs Engineering	**17.0**	23.4	22.1	0.0	**39.4**	11.1	**66.1a**	34.7	882	14	1.6
Rouse	**16.2**	def	4.8	93.4	**20.6**	6.0	**−18.4**	P-D	512	0	def
Centex	**12.3**	13.5	10.7	20.7	**10.7**	15.9	**8.9**	13.9	2,255	62	2.8
Butler Manufacturing	**7.5**	16.0	7.6	57.0	**7.0**	−7.1	**28.1**	−48.1	574	7	1.2
Fluor	**5.9**	18.5	16.7	5.9	**6.6**	14.9	**NM**	29.5	7,142	135	1.9
Perini	**5.7**	3.4	3.4	31.4	**1.2**	25.9	**NM**	156.8	1,014	7	0.7
CBI Industries	**2.8**	10.0	7.8	26.1	**9.4**	6.3	**53.4b**	133.7	1,556	52	3.4
Turner Corp	**0.9**	13.1	10.8	48.3	**15.4**	−5.3	**−30.8**	500.0+	3,357	9	0.3
Morrison Knudsen	**def**	13.2	12.8	37.7	**NM**	−19.0	**NM**	D-P	1,733	34	1.9
Guy F Atkinson	**def**	def	def	3.9	**NM**	4.0	**NM**	D-D	879	−5	def
LVI Group	**def**	def	def	102.7	**61.8**	−24.2	**NM**	D-D	367	−34	def
Wheelabrator Tech	**NA**	8.0	4.2	62.7	**15.6a**	−20.1	**NA**	−16.8	1,220	45	3.7
Medians	5.9	**11.6**	7.7	**33.1**	10.0	**5.0**	−18.4	**14.2**	**948**	**13**	**1.8**
Residential builders											
Ryland Group	**27.7**	15.0	7.0	93.2	**26.1**	2.1	**33.6**	−5.1	1,375	36	2.6
Kaufman & Broad Home	**26.6b**	29.9	14.5	61.2	**38.3**	51.6	**27.6a**	−7.3	1,521	67	4.4
PHM	**13.6**	11.5	7.5	83.1	**NM**	−11.1	**18.3**	−45.1	1,105	35	3.2
Lennar	**12.2**	7.4	5.0	54.0	**21.7**	−8.1	**33.0**	−32.1	396	19	4.8
Skyline	**10.1**	6.1	6.1	0.0	**NM**	−2.0	**16.4**	−38.7	372	9	2.5
US Home	**def**	def	def	61.6	**−8.5**	−11.6	**NM**	D-D	621	−23	def
MDC Holdings	**def**	def	def	70.1	**26.2**	−29.7	**NM**	D-D	563	−64	def
Medians	12.2	**7.4**	6.1	**61.6**	21.7	**−8.1**	18.3	**−38.7**	**621**	**19**	**2.6**
Industry medians	8.8	**10.0**	7.0	**48.3**	10.7	**−2.0**	12.7	**−16.8**	**882**	**14**	**1.9**
All-industry medians	14.6	**12.1**	9.2	**32.6**	11.3	**6.6**	6.9	**−2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: FORBES; Value Line Data Base Service via Lotus CD Investment.

nothing near the 50% surge of the last big housing recovery that began in 1983. Blame fading demographics and past overbuilding.

In the near term, the only region showing gains in housing will be the southern central states, which could see 9% advances in both single- and multifamily housing contracts in 1991. This would bode well for Ryland Group and Centex Corp., both big home builders in Texas. Conversely, companies concentrated mainly in California, like Kaufman & Broad Home Corp., will recover much later.

Look for an advance in institutional building, including schools and prisons, where new contracts grew 4% last year and should grow another 1% this year, to $39 billion. The companies with the best prospects here include Fluor Corp., which is already building a prison in Texas.

Commercial building, in for another down year in 1991, will take longer to revive. Coldwell Banker reports that as of June 1990 six major American cities had office vacancy rates in excess of 20%. And nationwide, 17% of the available office space lies unoccupied. Troubles in the retailing sector are hurting builders and developers of shopping centers like Rouse Co., one of the largest public firms in this business.

Expenditures on public works projects held steady in 1990. But state and local government budgets are now under pressure; despite the need for infrastructure rebuilding, this segment is likely to shrink 4% this year—the first time in ten years—because of budgetary restraints. Public works will probably not rebound until 1994, with the potential for double-digit gains. Maybe by then recession will be a faded memory. ■

The virtues of diversification

Leslie McCraw, vice chairman of Fluor Corp. in Irvine, Calif., recently heard an interesting analogy that reinforces his view about doing business in China. "It's like a glacier," says the affable engineer from South Carolina. "The top layer may appear to be moving very slowly, but the layer underneath is moving faster than you think."

McCraw is a witness. Fluor, one of the world's leading engineering and construction firms, has worked on about 50 projects in China and is currently involved in about a dozen there, including construction of an auto factory.

Fluor's China projects show how the company itself has changed, both here and abroad. Ten years ago 90% of Fluor's backlog came from constructing huge oil refineries and petrochemical plants worldwide. When oil prices began to slide in 1982, so did Fluor's backlog—which shrank from $16 billion in 1981 to $4 billion by 1984. By 1985 Fluor was losing $633 million on $4 billion in sales.

So in 1986, to better diversify, Fluor reorganized into five market sectors—process, power, industrial, hydrocarbon and government. The plan worked: After losing another $60 million in 1986, Fluor turned a $26 million profit in 1987 and never looked back. In fiscal 1990 (ended Oct. 31) earnings grew 35%, to $147 million, on over $7 billion in revenues. Fluor's backlog now reaches nearly $10 billion.

Given the malaise in U.S. construction, Fluor is rated one of the few buys among construction analysts—primarily because of its hydrocarbon projects abroad. Some analysts are predicting profit gains of around 30% a year through fiscal 1992. Advises First Boston's Deborah Thielsch: "You want to buy companies that do a lot of hydrocarbon work and have overseas exposure."

Fluor has always had an international presence, but prior to 1986 its primary focus was on hydrocarbon facilities. While Fluor operates in as many as 80 countries, it's as likely to be working on an automotive plant in Canada or a paper mill in England as a refinery in Saudi Arabia. McCraw's goal is to keep the diversification strategy abroad, and to roughly balance Fluor's business 60-40 between domestic and foreign projects. In fiscal 1989, 23% of Fluor's backlog was contracted overseas. Toward the end of last year, the figure reached 30%.

Europe is tops on McCraw's list. While Fluor has operated in Western Europe for 30 years, his team is now negotiating either a joint venture or an ownership position with IAB, the leading engineering firm in eastern Germany.

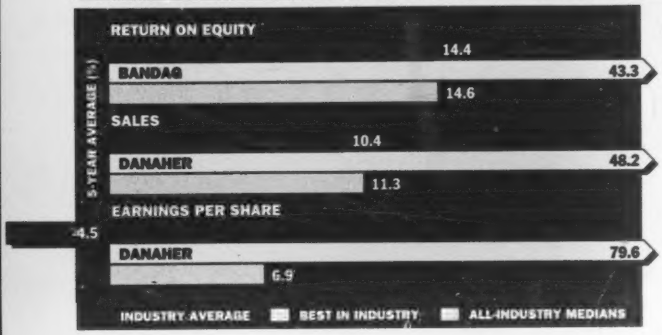
Jeff Jacobson

Fluor Corp.'s Leslie McCraw

Middle East hydrocarbon work was picking up even before Iraq invaded Kuwait and has not slackened off. In June Fluor signed a five- to nine-year contract with Saudi Aramco to manage the expansion of its production facilities. Analysts estimate the job to be worth as much as $5 billion to Fluor. McCraw realizes there are uncertainties with the project; indeed, the job is not included in Fluor's backlog. As a further hedge, Fluor is bidding on projects in other countries, like Venezuela, Indonesia and Thailand.

Hydrocarbon work has crept back up to 31% of Fluor's backlog. But the 56-year-old McCraw, who replaces retiring chairman David Tappan on Jan. 1, 1991, asserts that Fluor has learned the virtues of diversification. "People are looking at energy and energy dependency differently this time around," he says. "So are we."—C.P.

CONSUMER DURABLES



Detroit looks to new leadership to win the battle of sagging profits.

By Jerry Flint

IN THE GREATEST OF ALL consumer durables industries, automotive, the big change is at the top: new chief executives at General Motors and Ford (respectively, Robert Stempel and Harold [Red] Poling), and Chrysler clearing the line of succession to the venerable Lee Iacocca.

The new chiefs won't have it easy. The first half of 1991 could be very tough. Chrysler management has a new problem: Investor Kirk Kerkorian now holds 9% of its shares.

Rebates, writeoffs and production cuts are already hurting the bottom line. Chrysler lost $627 million over the 12 months ended Sept. 30, while Ford's net income in the same period fell from $4.7 billion to $1.7 billion. GM, which wrote off $3.3 billion in plant closings, had a 93% drop in profits, to a paltry $332 million in the 12 months ended Sept. 30.

Double-digit earnings declines also were widespread through the remainder of the consumer durables industry.

Consumer durables	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/ capital %**	**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Automobiles & trucks											
Ford Motor	**25.5**	7.5	6.3	57.8	**12.8**	1.8	**16.2**	–62.8	97,604	1,692	1.7
Oshkosh Truck	**23.1**	1.4	1.5	6.4	**10.5**	13.5	**NM**	–89.4	464	2	0.4
Paccar	**19.8**	15.6	10.5	34.4	**12.9**	–17.9	**21.7**	–16.2	2,913	157	5.4
Chrysler	**18.6**	def	1.4	61.8	**12.5**	–20.4	**–18.2**	P-D	29,945	–627	def
Fleetwood Enterprises	**17.3**	12.2	12.2	0.0	**2.8**	–2.7	**NM**	–23.7	1,544	50	3.3
General Motors	**13.3**	def	5.5	51.8	**5.8**	–1.4	**NM**	P-D	126,193	332	0.3
Navistar Intl	**1.6**	def	0.8	42.7	**NM**	–11.7	**NM**	P-D	3,894	–17	def
Medians	**18.6**	**1.4**	**5.5**	**42.7**	**10.5**	**–2.7**	**NM**	**P-D**	**3,894**	**50**	**0.4**
Automotive parts											
Bandag	**43.3**	36.5	32.9	1.7	**11.5**	10.1	**18.8**	5.7	569	78	13.6
Danaher	**32.1**	29.4	22.4	41.0	**48.2**	3.8	**79.6**	37.3	785	60	7.7
Standard Products	**25.0**	5.7	5.1	34.6	**11.0**	9.8	**10.1**	–63.9	654	9	1.3
TBC	**23.8**	23.9	23.5	0.0	**5.4**	4.4	**44.4**	12.5	506	17	3.3
Snap-on Tools	**22.0**	18.5	18.0	1.1	**11.2**	5.1	**15.1**	–3.0	927	106	11.5
Genuine Parts	**21.5**	21.1	19.8	4.1	**7.2**	5.7	**13.0**	5.2	3,290	205	6.2
PPG Industries	**20.3**	18.9	13.5	19.9	**7.0**	3.6	**16.5**	5.0	5,946	475	8.0
Eaton	**18.3**	15.6	10.9	30.0	**NM**	–0.5	**6.0**	–7.8	3,643	197	5.4
Cooper Tire & Rubber	**18.1**	21.0	16.7	18.8	**10.3**	4.4	**21.5**	19.7	891	65	7.3
Goodyear	**17.7**	def	2.0	53.4	**2.1**	2.2	**NM**	P-D	11,199	–39	def

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

The culprits: a weak economy, tightening credit, a building slowdown and high fuel prices. This crimped sales of everything from washing machines to motor homes and boats.

But new coaches also mean new hope, especially at GM, where Bob Stempel took the chairmanship. Stempel, an engineer by training, is a break in the long line of financial men who have run GM for most of the past three decades. He takes charge of a company whose core business—manufacturing cars in the U.S.—is in the red and whose onetime industry leadership has slipped badly.

Contrary to popular opinion, the big three haven't lost the war against the Japanese. Unlike cameras, television sets or VCRS, Detroit still makes almost three-fourths of all cars and trucks sold in America. In fact, in the U.S., much maligned GM outsells all nine Japanese makers put together.

Where do the foreigners have an edge? In production quali-

Consumer durables	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/ capital %**	**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Masco Industries	**16.4**	0.0	4.5	74.2	**30.9**	–7.4	**20.1**	P-Z	1,575	–1	def
Modine Manufacturing	**16.4**	14.8	12.0	21.5	**8.6**	4.6	**5.0**	19.5	453	28	6.1
SPX	**15.7**	7.8	7.9	34.5	**6.9**	–1.9	**11.2**	–77.3	695	21	3.0
Dana	**14.1**	9.1	7.1	51.5	**8.9**	–0.5	**NM**	–40.7	5,207	92	1.8
Lancaster Colony	**13.8**	11.4	9.6	28.6	**2.6**	1.4	**17.3**	–28.3	507	16	3.1
Allied-Signal	**13.3**	14.1	10.9	30.9	**3.7**	3.1	**NM**	–4.3	12,258	470	3.8
Barnes Group	**12.6**	8.6	7.6	34.3	**1.7**	7.7	**NM**	–30.0	542	12	2.2
Johnson Controls	**12.0**	7.3	7.5	20.1	**20.1**	22.2	**2.4**	–16.5	4,500	92	2.1
Echlin	**10.4**	7.4	9.0	25.0	**17.0**	10.1	**–4.4**	6.3	1,601	47	3.0
Federal-Mogul	**10.1**	4.2	4.7	22.6	**5.3**	–0.7	**NM**	–60.4	1,094	19	1.7
Standard Motor Prods	**9.6**	4.6	4.9	34.1	**14.2**	19.6	**–7.0**	–50.9	500	7	1.5
Arvin Industries	**7.4**	5.3	5.7	39.1	**15.8**	13.2	**–19.3**	184.2	1,667	28	1.7
AO Smith	**4.9**	3.0	4.4	34.8	**2.8**	–7.7	**NM**	–43.0	944	10	1.1
Allen Group	**2.3**	11.0	9.4	42.0	**NM**	3.1	**NM**	–25.8	365	16	4.3
Douglas & Lomason	**0.2**	7.2	6.5	60.2	**10.2**	5.6	**NM**	D-P	427	3	0.7
Cummins Engine	**def**	def	def	34.4	**10.6**	–3.0	**NM**	D-D	3,418	–51	def
Medians	**14.9**	**8.8**	**8.4**	**32.5**	**8.7**	**4.1**	**3.7**	**–12.1**	**936**	**25**	**3.0**
Appliances											
Harman International	**30.2**	12.3	9.7	56.7	**29.7**	7.6	**48.5**	–27.1	570	12	2.0
Maytag	**26.9**	12.5	9.5	40.4	**9.8**	13.1	**NM**	–24.7	3,131	126	4.0
Toro	**21.2**	13.9	11.2	42.3	**19.3**	16.7	**23.8**	–26.2	751	17	2.2
Whirlpool	**12.7**	12.3	8.5	34.4	**12.6**	16.1	**–4.7**	39.0	6,579	175	2.7
Emerson Radio	**11.1**	def	def	33.3	**16.5**	–7.6	**–8.6**	P-D	805	–3	def
Pittway	**10.9a**	7.5	6.6	13.4	**10.6**	12.1	**NM**	–15.7	926	27	2.9
Black & Decker	**6.3**	11.3	6.1	77.4	**13.9**	35.9	**NM**	253.8	4,208	83	2.0
Medians	**12.7**	**12.3**	**8.5**	**40.4**	**13.9**	**13.1**	**–8.6**	**–24.7**	**926**	**27**	**2.2**
Home furnishings											
LADD Furniture	**24.8**	6.3	5.0	48.4	**18.2**	26.7	**5.3**	–60.4	529	8	1.6
Rubbermaid	**22.9**	21.8	19.4	5.5	**19.7**	4.3	**18.4**	17.2	1,379	130	9.4
Newell Co	**19.3**	22.6	19.5	15.4	**33.7**	–1.7	**28.1**	29.8	1,080	103	9.6
Leggett & Platt	**18.8**	16.0	12.3	39.1	**18.4**	11.8	**10.7**	0.4	1,073	46	4.3
Kimball International	**16.8**	16.2	14.9	2.2	**13.3**	–1.6	**9.4**	14.2	603	43	7.1
La-Z-Boy Chair	**16.4**	12.1	10.4	23.4	**17.7**	6.1	**5.1**	–4.0	606	26	4.3
Thomas Industries	**14.7**	11.9	8.3	43.3	**7.2**	15.8	**6.2**	–5.4	470	17	3.5
Premark Intl	**13.0b**	5.5	6.2	41.1	**9.1**	4.3	**NM**	–50.6	2,656	43	1.6
Oneida	**12.6**	9.3	7.1	35.2	**10.0**	1.4	**NM**	–41.1	413	10	2.4
Springs Industries	**10.3**	0.3	2.0	29.7	**16.6**	–1.4	**24.3**	–97.4	1,882	2	0.1
Bassett Furniture Inds	**7.9**	3.8	3.7	0.0	**3.6**	–4.2	**–8.6**	–46.6	448	10	2.2
Interco	**5.3**	NE	9.0	290.1	**–7.5**	–23.1	**NM**	P-D	1,484	–128	def
Medians	**15.6**	**10.6**	**8.6**	**32.4**	**15.0**	**2.9**	**5.8**	**–23.2**	**840**	**22**	**3.0**
Recreation equipment											
Harley-Davidson	**40.4**	28.7	22.5	21.9	**28.2**	11.3	**50.1**	39.6	874	45	5.2
Huffy	**11.6**	19.0	13.9	34.5	**10.3**	19.5	**NM**	25.4	498	19	3.8
Outboard Marine	**10.9**	def	def	20.3	**13.4**	–21.8	**14.0**	P-D	1,146	–77	def
Winnebago Industries	**4.9**	def	def	3.3	**1.2**	–23.4	**NM**	D-D	335	–18	def
Briggs & Stratton	**4.8**	14.9	11.1	18.9	**6.2**	14.0	**NM**	D-P	996	40	4.0
Coachmen Industries	**0.9**	def	def	10.4	**–5.7**	–15.8	**NM**	D-D	286	–3	def
Medians	**7.9**	**5.0**	**3.6**	**19.6**	**8.2**	**–2.2**	**NM**	**P-D**	**686**	**8**	**1.3**
Industry medians	**14.4**	**9.2**	**8.1**	**34.2**	**10.4**	**4.0**	**–4.5**	**–25.2**	**970**	**24**	**2.3**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

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Sources: FORBES; Value Line Data Base Service via Lotus CD Investment.

ty, advanced technology, smooth engines and frequent style changes. While it struggles to catch up, Detroit has mounted a spirited defense by using rebates to cut prices while the Japanese struggle with the effects of a strong yen. The resulting damages to everybody's profits must be giving many Japanese automakers second thoughts about the easy pickings here. Except for Honda and Toyota, the Japanese transplants are running under capacity. Other than what's been announced, like Toyota's expansion in Kentucky, the Japanese are unlikely to build more plants here in the foreseeable future. This may give Detroit some breathing room, since the Japanese can't export more because of home market demand.

American products are even scoring a few points against the foreigners with the car testers: Ford's four-wheel-drive Explorer did better than Toyota's 4Runner, for example, and Chrysler's minivan gets high ratings.

Just as in sports, the new coaches need time to put in their playbooks and build their teams. But when will we know if they've got the right stuff?

Wait till next year. ■

A foreign affair

General Motors stumbles at home but competes effectively abroad.

The automaker is catching Ford in Western Europe, racing with Volkswagen into Central Europe, and planning to take on the Japanese in their own Asian backyard. Foreign profits—$2.7 billion on $28 billion in sales in 1989 and probably better last year—cover for the company's loss operations in the U.S.

"We're driving," says John F. Smith Jr., mastermind of the successful European strategy and now vice chairman overseeing all international operations. "Europe's a pretty good market, and we're doing a good job of picking up share and taking our cost down."

"We've been benchmarking all of our operations in Europe against the Japanese," Smith says. This means working toward what he calls leaner operations, more outsourcing, "less vertical integration, less of the cafeterias, less of this, just less," he says. A British assembly plant, Ellesmere Port, will go on three shifts by the end of 1991.

In Central Europe, GM's strategy is in place: A car assembly plant is to be built in car-starved eastern Germany. Engines will be built in a new joint venture in Hungary, and transmissions will be exported from Czechoslovakia. These are countertrades: The exports will earn hard currency, allowing GM to ship 15,000 knocked-down cars a year each to Hungary and Czechoslovakia. The cars will be assembled there to jump-start those markets. More important for quality, the Hungarian and Czechoslovakian plants will be allied with an existing GM plant in Austria, which makes the same products.

Michael L. Abramson

Jack Smith of General Motors

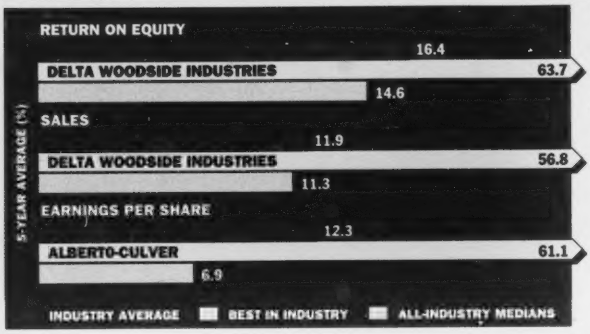
In 1991 GM may lose some volume and profit in Europe because of the changeover for a new Kadett, its bestseller, a small car. "We are going to sell what we can make next year, but we're going to be capacity constrained," Smith says.

Asia-Pacific is GM's second international priority. The General gets 35% of the market at home, 12% in Western Europe, but just a few percentage points of the business in all of the Asia-Indian landmass and island states. Smith's strategy: Get back into India and China and strengthen operations in Southeast Asia with Asian-made cars.

"This market will be as large as Europe and the U.S. by the end of this century, perhaps earlier," he says, and he'd like GM to have 10% of that in a decade.

Why are GM's international operations so successful? Times have been good in Europe and Asia, but GM management has done an exceptionally fine job of capitalizing on the prosperity. Credit Jack Smith. Credit, too, the fact that GM management in Detroit hasn't tried to micro-manage Europe but has given it the freedom to make its own decisions keyed to local market conditions.—**J.F.**

CONSUMER NONDURABLES



Old dresses and carpets can be made to do, but teeth must still be brushed.

By Katherine Weisman

IF BAROMETERS OF CONSUMER OPINION can be trusted, the next several months will not be kind to much of this industry. Conference Board economist Albert Sommers estimates that U.S. consumers spent about $1.2 trillion on nondurables in 1990, up 5.4% from 1989. In 1991 such spending is expected to grow only 2.5%—with modest inflation factored in, the business would actually shrink somewhat. Retailers have been watching their shelves carefully all year, forcing inventory problems back on the manufacturers.

The apparel downturn started in late 1989. As department

Consumer nondurables	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		**Return on capital latest 12 mos %**	**Debt/capital %**	**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**			**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Personal products											
Stanhome	**27.5**	28.1	28.9	0.7	**12.0**	22.3	**25.9**	14.9	651	50	7.6
Johnson & Johnson	**26.5**	26.8	22.1	19.6	**10.4**	16.0	**21.6**	4.5	11,003	1,114	10.1
Gillette	**24.1**	47.6	22.9	50.9	**11.7**	11.3	**17.9**	10.6	4,155	341	8.2
Colgate-Palmolive	**21.6**	21.0	14.5	25.5	**NM**	10.7	**33.4**	–10.7	5,497	310	5.7
Gibson Greetings	**21.5**	17.2	15.8	11.1	**8.6**	15.8	**8.1**	1.6	503	39	7.8
Kimberly-Clark	**20.7**	20.8	13.3	20.4	**9.8**	9.9	**17.4**	6.1	6,224	432	6.9
Tambrands	**19.5**	8.4	6.9	0.0	**8.9**	5.2	**10.7**	–68.0	615	21	3.4
Scott Paper	**19.2**	13.6	8.5	42.3	**13.3**	3.0	**24.4**	–24.4	5,207	271	5.2
Clorox	**19.1**	18.5	16.7	18.3	**6.5**	9.1	**9.5**	17.4	1,520	147	9.7
Alberto-Culver	**17.6**	21.3	16.5	26.5	**16.2**	10.9	**61.1**	15.6	796	35	4.4
Carter-Wallace	**16.6**	15.1	14.6	5.0	**9.5**	11.4	**19.3**	6.9	594	52	8.8
Block Drug	**15.7**	14.1	13.5	5.0	**12.6**	11.4	**12.7**	11.3	466	50	10.6
Helene Curtis Inds	**15.0**	5.8	4.6	40.4	**16.4**	10.6	**27.3**	–50.3	767	8	1.1
Procter & Gamble	**14.7**	20.2	15.1	20.2	**11.1**	14.5	**NM**	12.6	25,016	1,593	6.4
Greyhound Dial	**9.7**	1.4	5.8	62.7	**3.3**	0.2	**NM**	–85.7	3,517	16	0.5
Service Corp Intl	**3.4**	def	def	54.0	**18.2**	–0.1	**NM**	P-D	555	–38	def
Avon Products	**def**	21.2	12.6	53.4	**2.4**	2.5	**NM**	–42.3	3,360	82	2.4
First Brands	**NA**	29.9	14.3	65.5	**NA**	–5.6	**NA**	–19.6	1,099	48	4.4
Medians	**19.1**	**19.3**	**14.4**	**22.9**	**10.4**	**10.7**	**17.4**	**3.1**	**1,310**	**51**	**6.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

store chains like Federated and Ames foundered, inventories began to build at the apparel makers. A disappointing back-to-school season also hurt clothing firms. Reebok International, normally a consistent growth machine, reported third-quarter earnings per share of 36 cents, versus 44 cents for the same period last year. Third-quarter net income at Gitano Group, a sportswear maker, was 27% lower than in 1989.

Bucking the trend, Liz Claiborne, which makes quality apparel, had a 28% increase in latest 12-month earnings. In 1980 Claiborne's revenues were $80 million; for 1990 they could hit $1.7 billion. "Claiborne is the only company we follow where we haven't had to lower our earnings forecasts," notes Prudential-Bache analyst Deborah Bronston.

The apparel downturn—together with the slumping auto and construction industries—hit the textile manufacturers, too. Worse, synthetic fiber prices could rise 10%. Prices on cumene, a key petrochemical derivative used in nylon, are up 45% over 1989. Margins are being further squeezed because consumers are buying fewer home accessories.

There are exceptions, notably Shaw Industries, the largest and probably most efficient U.S. carpetmaker. While the real estate industry is in the tank, Shaw's per-share earnings are up almost 20% over the latest 12 months. A low-cost producer with a strong commercial base, Shaw keeps competitors at bay, and should hold on to its 20% share of the U.S. market.

Toy companies are a hard-to-predict group. In the 1982

Consumer nondurables	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		**Return on capital**		**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**	**latest 12 mos %**	**Debt/capital %**	**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Apparel & shoes											
LA Gear	**83.2a**	27.8	29.8	0.0	**NM**	70.9	**NM**	–13.4	879	50	5.7
Reebok International	**45.1**	20.2	18.6	10.5	**52.6**	15.4	**26.8**	16.3	2,048	172	8.4
Gitano Group	**41.5b**	24.7	14.6	38.0	**27.2**	42.9	**19.6**	12.0	800	33	4.1
Liz Claiborne	**40.2**	31.4	29.9	2.2	**29.1**	23.5	**28.0**	27.5	1,637	191	11.6
Phillips-Van Heusen	**36.0**	16.1	14.8	53.4	**4.4**	8.8	**12.0**	–5.2	774	24	3.1
NIKE	**26.8**	39.1	37.3	2.8	**10.9**	36.8	**47.2**	42.3	2,466	267	10.8
Stride Rite	**24.7**	32.4	28.9	3.0	**10.1**	11.5	**53.2**	28.3	505	54	10.6
Fruit of the Loom	**22.5a**	28.3	11.2	66.0	**18.2**	17.0	**NM**	2.7	1,448	93	6.4
VF	**19.9**	15.8	10.5	40.8	**18.6**	4.6	**6.7**	–13.9	2,588	131	5.1
Kellwood	**19.2**	2.1	3.6	37.2	**5.7**	–4.1	**16.1**	–87.0	774	4	0.5
Russell	**18.5**	17.0	11.9	28.1	**13.4**	13.8	**18.5**	13.4	723	70	9.7
Leslie Fay Cos	**16.0**	17.9	13.0	41.1	**12.2**	6.4	**14.1a**	2.0	830	29	3.4
Crystal Brands	**7.4a**	8.9	9.1	55.8	**9.4**	10.4	**58.2a**	–20.3	856	21	2.5
Oxford Industries	**4.2**	5.1	4.9	23.2	**NM**	–5.5	**–7.9**	–46.2	534	5	1.0
Salant	**3.6**	def	def	106.4	**22.7**	–14.1	**NM**	P-D	437	–36	def
Medians	**22.5**	**17.9**	**13.0**	**37.2**	**12.2**	**11.5**	**16.1**	**2.0**	**830**	**50**	**5.1**
Textiles											
Delta Woodside Inds	**63.7**	3.5	5.0	38.2	**56.8**	–9.6	**85.5a**	–84.3	511	5	0.9
Shaw Industries	**24.8**	29.6	17.0	54.3	**21.5**	28.2	**16.7**	19.9	1,564	65	4.2
Guilford Mills	**13.6**	def	def	30.9	**13.5**	–13.9	**4.3**	P-D	531	–9	def
Salem Carpet Mills	**13.4**	5.5	5.5	49.6	**11.4**	10.0	**8.3**	–53.1	456	4	0.8
Dixie Yarns	**13.4**	3.9	3.9	38.8	**21.4**	–5.3	**15.5**	–47.5	560	7	1.3
DWG	**10.4**	def	4.9	70.3	**13.4**	2.9	**NM**	D-D	1,226	–12	def
Fieldcrest Cannon	**5.6**	def	3.2	59.2	**22.4**	–5.3	**17.5**	P-D	1,282	–4	def
Instrument Systems	**def**	19.3	10.9	57.7	**28.9**	14.3	**NM**	D-P	446	10	2.2
United Merchants	**def**	def	def	162.0	**–3.6**	–29.9	**NM**	D-D	350	–137	def
Medians	**13.4**	**3.5**	**4.9**	**54.3**	**21.4**	**–5.3**	**8.3**	**–84.3**	**531**	**4**	**0.8**
Photography & toys											
Fuqua Industries	**16.3**	3.5	4.4	30.4	**2.1**	1.5	**–15.1**	D-P	950	12	1.2
Mattel	**14.8**	43.5	24.3	23.8	**4.3**	20.3	**NM**	36.2	1,402	97	6.9
Eastman Kodak	**13.6**	4.7	4.7	46.6	**13.1**	3.3	**NM**	–65.1	18,643	317	1.7
Hasbro	**13.4**	10.7	10.6	6.3	**11.0**	4.1	**NM**	–3.3	1,444	85	5.9
Brunswick	**12.8**	9.4	7.8	26.8	**19.2**	–12.3	**NM**	D-P	2,579	82	3.2
Tonka	**8.5**	def	3.4	69.5	**46.5**	–12.6	**NM**	P-D	786	–22	def
Polaroid	**7.4**	15.8	15.3	29.1	**9.5**	0.7	**39.3**	72.4	1,914	143	7.5
Medians	**13.4**	**9.4**	**7.8**	**29.1**	**11.0**	**1.5**	**NM**	**36.2**	**1,444**	**85**	**3.2**
Industry medians	**16.4**	**15.8**	**11.9**	**37.2**	**11.9**	**9.1**	**12.3**	**–3.3**	**879**	**50**	**4.2**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: FORBES; Value Line Data Base Service via Lotus CD Investment.

recession, revenues for the toy industry grew 13%. Some analysts expect the demand for videogames to peak this year—that might mean more room for traditional toys. But more powerful game systems from Sega, NEC and soon from Nintendo are attracting adults as well as kids.

Given the present economic environment, personal product companies stand to do reasonably well this year. Gillette and Colgate, for example, get over 60% of their revenues from outside the U.S.; stronger foreign currencies will enhance these companies' dollar results. Besides, it's more civilized to put off the purchase of a new dress or carpet than to stop shaving or brushing one's teeth. ■

The Great Ivory Way

You would think that a corporation with international sales of $9.6 billion wouldn't need to expand much more overseas. But Procter & Gamble Chairman Edwin L. Artzt thinks it does: "We think of it as the ultimate form of diversification."

Procter & Gamble's international sales represent 40% of its 1990 revenues of $24 billion. Under Artzt, 60, who had over 15 years' experience heading up P&G Europe and then international operations, foreign sales should account for 50% of P&G's revenues and 40% of profits by 1995.

These figures sound impressive, but smaller rival Colgate-Palmolive already derives 64% of its $5 billion in revenues from foreign operations. Jay Freedman, a Kidder, Peabody analyst, contends that Procter & Gamble's foreign growth was stifled because management was too Cincinnati-oriented.

Artzt, who became chief executive in January 1990, helped change this image. During his European tenure he decentralized management, giving local managers more decision-making authority.

After the restructuring, the European market remains P&G's strongest. To wipe out redundancies, Artzt created the "Eurobrand system," treating Europe as one big market.

Procter & Gamble now has major operations in 46 countries, up from 22 nine years ago, and has management on the ground in Eastern Europe to grab new consumers there. Interestingly, the company already sells as much toothpaste in the Soviet Union as it does in Canada.

After more than a decade, P&G's business in Japan has finally turned around, thanks mainly to Artzt, and now kicks in $1 billion in revenues. Using Europe's experience as a model, P&G now has a better understanding of Japanese consumers. When P&G wanted to launch Pert Plus, its two-in-one shampoo-conditioner, in Japan, it found that the name Pert Plus meant nothing to Japanese consumers. The main selling point in the U.S.—convenience—wasn't as important to the Japanese as product performance. Pert Plus was repackaged and renamed Rejoy.

Acquisitions have fueled overseas expansion. P&G's 1985 purchase of Richardson-Vicks for $1.2 billion gave it well-known products, like Oil of Olay, with international appeal. The purchase brought P&G into India, Indonesia and Thailand, where Richardson-Vicks was already on the ground. European deals included the 1987 acquisition of Germany's Blendax, a personal products firm, and the 1989 joint venture with Spain's Agrolimen Group, a maker of diapers and sanitary napkins.

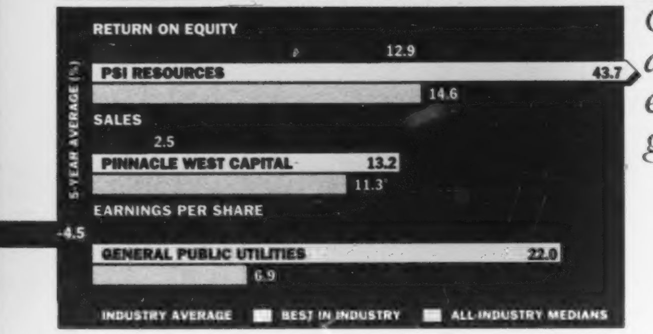
In the last two years Procter & Gamble acquired Noxell and Old Spice, whose foreign markets will probably be expanded. This doesn't mean Artzt is ignoring the U.S. "As time goes on, more innovation will occur outside the U.S.," he notes. "But up to now, and for the balance of this decade, a healthy U.S. business is the key to our success worldwide."—K.W.

Andy Snow/SABA

Крэст
VIZIR
ULTRA

Procter & Gamble's Edwin L. Artzt

ELECTRIC UTILITIES



Construction, conservation and outside generation will enable the industry to meet growing demand.

By Manjeet Kripalani

Once again, electric utilities have become a haven in a volatile market. Since the Gulf crisis began, Standard & Poor's utility stock index has done 16% better than its 500 stock index.

After a decade of curtailed plant construction, electric utilities have been breaking ground on new facilities. In the 1990s electric demand is expected to grow at a 2.5% average annual rate. Utilities must keep reserve capacity for summer heat waves and plant maintenance. Current reserve margins, at an estimated 21%, are considered ideal.

But even incorporating scheduled and possible capacity increases, the reserve margin is expected to fall below 16% by 2000. The Edison Electric Institute forecasts that the country will need 8% more capacity by the end of the century.

Becoming more self-sufficient

John Rowe, president and chief executive of New England Electric System, has made the future brighter for the utility by sharply decreasing its dependence on foreign oil—and Middle East uncertainties.

Back in 1979 the Westborough, Mass.-based utility generated 80% of its power with oil, mostly imported. Today New England Electric has cut oil consumption to only 27% of its power needs. Coal provides 44% of its energy; 17% comes from nuclear power; 11% from hydropower and alternate energy sources; 1% from natural gas.

Whereas the price of residual oil (used in power plants) rose to nearly $21 a barrel from $12 since mid-July, New England Electric's total generating costs will rise by just 2%. The company will spend $600 million to convert its major coal-fired plant to natural gas and expand capacity by 300 megawatts. This will also help it meet the demands of clean air legislation.

In addition, 115 megawatts were added to the utility's grid system when unit number 1 of the Seabrook nuclear facility went on stream. (New England Electric has a $600 million investment in 10% of the long-troubled project, which drove Public Service of New Hampshire into bankruptcy.)

New England Electric was one of the pioneers in sophisticated load-management systems designed to help customers save energy. Rowe expects the program to supply a third of the utility's increased capacity requirements by the year 2000. Within the same time frame, power bought from nonutility generators, such as municipal and private trash burners, could rise to 17% from 5% currently.

All these steps will give New England Electric 6,800 megawatts of total capacity by 2000—more than enough to meet the foreseeable needs of the region.

"We're just a plain vanilla utility," says Rowe. "We try to make risks commensurate with returns and keep our ego in check on things like acquisitions so we don't have unnecessarily large capital requirements in tough times." Plain—and safe.—M.K.

Millicent Harvey

John Rowe of New England Electric System

Approximately one-fourth of the needed new capacity is under construction, the rest is on the drawing board. Most of the new plants will be powered by turbine generators fueled by natural gas. No new nuclear facilities are planned.

The Clean Air Act of 1990 tacked on another $25 billion in expenses for the utilities. This will result in a drain on operating costs but will not be devastating to an industry that lays out that much annually in capital expenditures. And, of course, most of these expenses will be passed along to the ratepayers.

Regulatory commissions are encouraging utility-initiated conservation efforts. Under old regulations, utilities had little incentive to promote conservation: When consumers cut their use of electricity, the power companies had to fight with state regulators for higher rates in order to earn their allowable returns on capital. But under a program worked out

Electric utilities	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/capital %**	**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Northeast											
Potomac Electric	17.3	12.6	6.7	47.3	2.3	1.5	5.9	-15.9	1,400	187	13.3
Baltimore G&E	15.0	9.3	5.9	40.1	2.3	11.1	3.6	-24.8	2,160	227	10.5
General Public Utils	14.2	13.7	7.5	34.5	0.7	3.4	22.0	8.3	2,975	282	9.5
Atlantic Energy	14.1	12.2	7.0	37.0	5.3	4.5	6.4	-6.2	725	79	10.9
Allegheny Power	14.0	12.0	7.4	40.2	5.9	4.4	1.3	-6.0	2,310	191	8.3
Orange & Rockland	13.7	13.3	8.2	44.8	NM	7.3	3.0	15.5	560	45	8.1
Pennsylvania P&L	13.6	14.9	7.6	39.8	6.9	8.3	7.0	16.6	2,434	365	15.0
Delmarva Power & Lt	13.6	12.4	6.9	37.0	2.2	4.9	NM	1.8	818	89	10.9
Consolidated Edison	13.6	11.8	7.7	34.2	-1.1	6.5	2.9	-7.3	5,742	556	9.7
Pub Svc Enterprise	13.3	12.5	7.3	40.4	1.7	5.4	2.3	-3.5	4,895	524	10.7
Commonwealth Energy	13.0	10.2	5.6	39.0	1.9	8.7	-4.7	-15.4	832	33	4.0
Philadelphia Elec	12.6	3.0	4.7	50.9	2.6	9.2	NM	-76.0	3,650	209	5.7
Northeast Utilities	12.0	12.5	7.1	47.3	NM	6.4	-7.4	-3.4	2,299	219	9.5
NY State E&G	11.4	12.0	6.4	42.1	4.1	5.1	-11.3	-0.4	1,486	160	10.8
Central Maine Power	11.2	11.3	7.8	40.0	6.8	9.7	NM	23.1	760	50	6.6
Rochester G&E	10.8	10.0	6.7	47.7	1.4	4.6	-15.7	4.6	844	63	7.5
American Water Works	10.5	8.0	6.6	49.2	5.4	6.2	1.8	-8.2	555	49	8.8
New England Electric	9.6	22.5	9.3	43.5	1.9	14.4	-4.9	116.5	1,813	272	15.0
Central Hudson G&E	9.5	11.0	7.2	46.9	-2.8	8.3	-14.2	3.5	495	41	8.3
Boston Edison	6.8	def	1.6	42.6	NM	-0.2	NM	P-D	1,240	-18	def
Niagara Mohawk Power	6.7	8.0	6.2	49.1	0.9	9.0	-24.0	66.2	3,107	197	6.3
Long Island Lighting	3.0	9.6	8.2	57.4	3.1	8.4	NM	D-P	2,451	258	10.5
United Illuminating	def	12.1	4.5	50.2	0.8	9.8	NM	D-P	580	49	8.4
Public Service NH	def	def	def	78.1	3.9	7.0	NM	P-D	647	-350	def
Medians	**12.3**	**11.9**	**6.9**	**43.1**	**2.1**	**6.8**	**-6.2**	**-1.9**	**1,443**	**174**	**9.1**
North central											
PSI Resources	43.7	20.4	10.2	39.9	2.8	-3.1	13.9	14.1	1,016	114	11.2
Cincinnati G&E	17.4	16.6	8.9	42.2	NM	4.7	9.5	4.8	1,462	235	16.1
Minnesota Power & Lt	16.2	11.7	7.3	35.4	2.7	2.2	4.8	-20.8	475	75	15.9
Wisconsin Energy	15.6	13.7	9.5	37.9	1.1	-3.4	5.6	12.6	1,456	187	12.9
Ipalco Enterprises	15.5	13.9	8.3	32.3	6.3	2.6	4.6	3.5	610	99	16.2
Union Electric	14.6	15.8	8.3	38.4	7.6	3.7	12.0	28.9	2,053	324	15.8
No States Power	14.5	14.8	7.8	30.2	2.6	8.0	1.9	21.2	2,133	240	11.3
DPL	14.3	14.8	9.3	45.4	-0.9	1.1	15.3	5.1	965	147	15.2
American Electric	14.1	13.1	7.7	39.7	0.5	5.7	5.1	-5.7	5,274	563	10.7
WPL Holdings	14.0	15.6	10.2	36.8	0.8	1.2	-0.8	47.6	611	66	10.8
Wisconsin Public Svc	13.8	12.1	8.7	28.1	-1.9	-4.6	NM	-0.5	576	49	8.5
Iowa-Illinois G&E	13.8	11.7	5.9	40.0	-3.4	3.3	0.6	-8.3	499	53	10.6
CILcorp	13.4	11.0	5.8	28.7	-3.1	14.4	4.4	-20.2	514	37	7.2
Midwest Resources	13.2	11.0	6.1	40.0	5.5	-0.9	4.9a	-22.5	915	69	7.6
Ohio Edison	12.1	11.8	8.0	43.1	5.9	2.7	-7.7	37.5	2,201	330	15.0
Cipsco	12.1	11.4	6.3	31.8	-3.7	1.0	NM	-16.0	608	74	12.1
IE Industries	12.0	22.5	9.5	40.6	-1.5	4.2	3.8	92.5	449	64	14.2
Commonwealth Ed	11.4	def	3.1	47.7	3.4	-9.2	-9.3	P-D	5,260	83	1.6
Kansas City P&L	11.0	12.4	6.4	33.8	5.3	5.7	NM	18.9	761	110	14.4
DQE	11.0	11.6	6.5	46.1	5.1	1.5	-2.8	11.5	1,138	122	10.8

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

between Pacific Gas & Electric and the California Public Utilities Commission, for example, the utility gets to keep 15 cents of every dollar of power saved.

Taking a lesson from other manufacturers, utilities have also been buying more power from outside contractors. These independent power producers are generally smaller, less regulated and have lower production costs than the established utilities. Virginia Power, for example, gets 6% of its power from independent producers. Overall, nonutility generators currently provide over 3% of the electricity used in the U.S. The North American Electric Reliability Council estimates that this contribution will double by 2000.

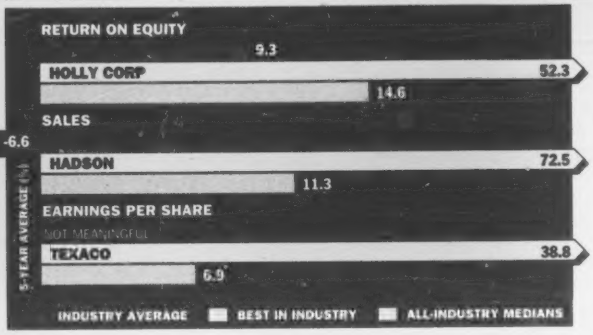
For the electric utility industry, this will be a dynamic and challenging decade. During the 1982 recession, electricity demand dropped by 2.8%. Despite recession fears, demand is up 2.5% from last year. ■

Electric utilities	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
CMS Energy	10.1	11.2	5.5	47.7	–2.5	0.9	NM	–28.8	2,987	219	7.3
Detroit Edison	9.4	19.2	9.0	53.6	4.6	4.0	5.1	D-P	3,298	491	14.9
Centerior Energy	7.8	7.8	5.7	40.4	4.8	5.0	–11.0	D-P	2,343	218	9.3
Nipsco Industries	7.7	7.3	5.0	38.9	–5.6	1.0	NM	–38.9	1,549	84	5.4
Kansas Gas & Elec	7.6	9.4	5.9	42.9	6.1	9.2	NM	19.6	580	60	10.4
Illinois Power	2.1	2.1	3.9	45.5	1.3	5.6	NM	D-P	1,360	70	5.2
Medians	13.3	11.9	7.5	39.9	1.9	2.7	1.3	8.3	1,077	105	11.0
Southeast											
Florida Progress	15.2	11.6	6.6	33.2	8.6	–3.8	4.4	–17.0	1,997	160	8.0
TECO Energy	15.2	15.5	8.3	32.5	7.4	2.2	5.4	4.3	1,080	136	12.6
Kentucky Utilities	14.6	15.1	10.3	37.9	0.4	6.0	7.6	20.6	553	85	15.4
Scana	14.3	20.0	9.4	33.1	NM	2.9	NM	50.5	1,141	184	16.1
Duke Power	13.9	14.5	8.4	34.3	6.6	3.2	4.4	25.5	3,718	580	15.6
Dominion Resources	13.8	14.4	8.0	45.6	7.2	1.3	4.9	26.4	3,656	493	13.5
FPL Group	13.5	def	def	40.0	10.3	1.3	3.6	P-D	6,179	–362	def
Southern Company	12.8	9.1	6.9	47.4	3.5	7.4	–4.3	–30.1	7,904	621	7.9
LG&E Energy	12.6	10.5	6.2	35.2	NM	5.0	NM	–16.9	698	63	9.1
Carolina Power & Lt	12.4	10.8	6.7	38.0	5.8	5.1	NM	–17.2	2,560	315	12.3
Medians	13.8	13.0	7.5	36.6	6.2	3.0	4.0	–6.3	2,279	172	12.5
South central											
Southwestern Pub Svc	16.8	17.6	9.9	34.8	–0.7	–3.7	–2.0	11.4	769	119	15.5
Oklahoma G&E	14.4	16.0	8.0	35.2	1.5	12.5	5.8	18.0	1,232	141	11.5
Central & So West	13.8	13.3	7.1	32.7	–1.9	7.1	NM	19.2	2,685	351	13.1
Texas Utilities	13.6	14.3	8.5	41.7	1.4	4.5	NM	22.0	4,431	938	21.2
Houston Industries	12.8	11.1	6.6	43.7	–2.2	8.7	–3.9	19.7	4,064	408	10.1
Gulf States Utils	4.2	def	2.4	39.8	NM	4.7	NM	D-D	1,667	–46	def
Entergy	2.9	10.2	6.9	47.8	3.3	6.3	NM	D-P	3,939	423	10.7
El Paso Electric	def	def	def	48.8	10.6	5.2	NM	D-D	437	–58	def
Medians	13.2	12.2	7.0	40.7	0.4	5.8	NM	18.6	2,176	246	11.1
Western											
SCEcorp	15.1	13.7	8.7	42.5	6.9	3.5	2.0	–5.7	7,063	723	10.2
San Diego G&E	14.6	16.2	9.5	39.6	5.7	–14.5	NM	20.5	1,736	214	12.4
PacifiCorp	14.3	14.7	7.6	48.5	5.9	3.3	5.6	4.6	3,778	460	12.2
Public Service Colo	14.3	14.9	8.4	38.9	–0.8	–5.4	NM	–6.9	1,638	149	9.1
Puget Sound P&L	12.9	11.6	8.0	46.6	5.4	4.2	12.3	–12.6	910	116	12.8
Hawaiian Electric	11.8	9.6	6.4	34.7	5.8	13.1	5.7	–15.2	962	55	5.7
Montana Power	9.5	9.4	6.9	37.4	7.5	6.9	NM	–2.3	811	79	9.8
Pacific G&E	7.9	10.5	7.4	42.6	NM	8.0	–9.5	225.0	9,165	874	9.5
Tucson Electric	7.5	def	def	61.4	9.7	–16.5	NM	D-D	515	–118	def
Portland General	5.0	0.2	3.1	37.2	NM	5.9	NM	–97.7	836	2	0.2
Public Service NM	2.4	0.7	3.2	41.6	11.9	–4.1	–13.1	D-P	865	15	1.8
Pinnacle West	def	def	def	55.5	13.2	2.6	NM	D-D	1,560	–494	def
Medians	10.7	10.0	7.1	42.0	5.8	3.4	NM	–6.3	1,261	98	9.3
Industry medians	12.9	11.7	7.0	40.2	2.5	4.7	–4.5	3.5	1,428	129	10.5
All-industry medians	14.6	12.1	9.2	32.6	11.3	6.6	6.9	–2.6	1,282	49	4.0

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

ENERGY



How high could oil prices go during a Mideast war? How low could they sink afterwards?

By Toni Mack

Oilmen have Saddam Hussein to thank for boosting the price of the U.S. benchmark crude over $40 a barrel last year, more than twice its summertime low. War with Iraq could shove the price from around $26 recently to above $50. After resolution of the crisis? Assuming Saudi Arabia's oilfields are intact, ample supplies are likely to push the price below $20, perhaps as low as $10.

High crude prices have squeezed refining margins, as oil companies were unable to pass along all their increased costs. Margins should be somewhat plumper in 1991, despite a likely drop of 1% to 2% in U.S. gasoline demand. Oil companies' chemical units will remain in a cyclical depression brought on by overcapacity and weak demand.

In the 1990s refiners and chemical producers will be investing tens of billions of dollars to meet Clean Air Act requirements and other environmental rules. Amoco alone, for example, expects to spend $3 billion to $4 billion.

Oil service companies will enter their third year of recovery

Energy	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		Return on capital latest 12 mos %	Debt/capital %	Sales		Earnings per share		latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Company	5-year average %	latest 12 mos %			5-year average %	latest 12 mos %	5-year average %	latest 12 mos %			
Major oils											
Exxon	**14.2**	12.6	8.5	13.5	**NM**	17.9	**−3.8**	3.0	98,293	3,940	4.0
Amoco	**12.9**	12.4	8.7	22.7	**−3.4**	9.7	**NM**	3.1	25,562	1,694	6.6
Mobil	**12.1**	10.1	7.9	16.3	**−2.4**	20.1	**9.9**	−7.7	53,351	1,724	3.2
Chevron	**8.1**	4.1	4.1	23.8	**−9.5**	22.9	**−22.8**	−55.0	33,866	641	1.9
Texaco	**7.6**	14.4	10.8	25.6	**−7.6**	5.0	**38.8**	−49.9	34,832	1,349	3.9
Medians	**12.1**	**12.4**	**8.5**	**22.7**	**−7.6**	**17.9**	**−3.8**	**−7.7**	**34,832**	**1,694**	**3.9**
Other oil & gas											
Holly Corp	**52.3**	500.0+	39.3	49.8	**NM**	15.2	**33.4**	−27.7	438	24	5.5
Union Texas Petrol	**37.4**	8.9	8.8	42.6	**−15.3**	20.9	**NM**	−80.3	1,143	72	6.3
Charter	**33.2**	def	def	13.7	**−28.6**	−11.1	**NM**	P-D	575	−14	def
Getty Petroleum	**27.7**	10.0	8.5	44.2	**31.0**	8.4	**20.5a**	−51.4	1,157	12	1.0
Atlantic Richfield	**23.8**	23.4	12.7	35.5	**−7.4**	3.0	**47.5b**	−17.5	16,344	1,525	9.3
Tosco	**22.8**	62.6	17.8	55.9	**−5.0**	54.7	**NM**	161.9	1,946	112	5.8
Mapco	**18.4**	28.7	14.3	47.8	**NM**	26.2	**9.4**	38.0	2,430	133	5.5
Phillips Petroleum	**15.6**	2.0	5.7	47.4	**−5.6**	3.2	**NM**	−92.4	12,549	49	0.4
Diamond Shamrock	**15.1b**	21.2	12.3	40.5	**−2.9**	22.8	**NM**	−0.7	2,434	78	3.2
EI du Pont de Nemours	**14.6**	15.1	10.7	21.3	**3.4**	7.1	**15.7**	−2.7	37,428	2,325	6.2
Ashland Oil	**14.0**	16.2	10.2	43.5	**NM**	6.4	**NM**	111.0	8,498	182	2.1
PS Group	**10.7**	def	2.6	45.3	**−24.5**	11.5	**NM**	P-D	276	−3	def
American Petrofina	**10.1**	9.1	7.0	37.3	**6.8**	19.9	**NM**	−34.2	3,542	97	2.7
Amerada Hess	**9.4**	12.4	8.2	44.6	**−9.8**	14.7	**NM**	−32.0	6,092	318	5.2
Crown Central Pet	**8.8**	7.0	6.0	12.5	**−3.9**	64.0	**NM**	−44.4	1,947	22	1.1
Unocal	**8.4**	14.6	7.9	51.3	**NM**	0.7	**−25.3**	−21.1	9,932	337	3.4
USX	**7.5**	14.4	9.0	45.5	**NM**	5.3	**NM**	−5.0	18,126	795	4.4
Kerr-McGee	**5.2**	8.6	6.7	29.6	**−3.7**	15.6	**NM**	−12.4	3,443	138	4.0
Occidental Petroleum	**4.2**	5.0	6.0	53.7	**6.6**	1.9	**−19.4**	35.0	20,680	320	1.6
Sun Company	**4.0**	1.1	1.4	22.3	**−9.5**	12.7	**−27.7**	−89.3	10,855	8	0.1
Quaker State	**3.1**	5.7	4.7	15.1	**−2.8**	5.3	**−19.6**	12.3	862	17	2.0

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Ahead of the pack

Doug Milner

Donald McIvor of Exxon

Oilmen nowadays are heading overseas, where they expect bigger and thus lower-cost discoveries than in the much explored U.S. No American company can claim to do a better job punching holes abroad than Exxon. Salomon Brothers analyst Bernard Picchi recently surveyed the years 1982 to 1989 and found that Exxon's foreign reserves swelled by 21% over the period, to 6.7 billion barrels, at a per-barrel cost 15% below the industry average.

"Exploration is done by analogy," says Donald McIvor, 62, Exxon's Canadian-born senior vice president for exploration and production. "Every time you do it, you draw on your store of memories." Eight decades of such efforts provide Exxon with a storehouse of knowledge of hydrocarbon-bearing geologic structures, so that it can use its understanding of Canada's underground limestone reefs, for example, to find oil and gas in similar formations in Indonesia.

Exxon drilled its first foreign well in Romania, in 1911. Now it reaps two-thirds of its production earnings from abroad. Companies that only recently expanded foreign exploration, such as Atlantic Richfield, will have to wait several years to see earnings from their efforts. Exxon already explores in 23 countries and is in the process of negotiating exploration deals in 10 more. It spends about 60% of its exploration budget—$1.2 billion in 1990—outside North America. Its current inventory of foreign exploration acreage, the raw material for new discoveries, stands at a huge 80 million acres and covers known producing areas like the North Sea as well as new territory like Chad and Papua New Guinea.

Exxon Chairman Lawrence Rawl likes to say that oil is a high-tech commodity business. Vice President McIvor has been quick to adopt new technology like three-dimensional seismic surveys and a patented method of mapping circular formations, such as salt domes, around the globe. This helps Exxon find oil and gas more efficiently.

This expertise is reflected in Exxon's recent stock price of 50⅝, near its asset value of $50 per share. Investors are taking a wait-and-see attitude toward upcoming criminal trials over the *Valdez* spill. Analyst Picchi estimates potential penalties at $1 billion to $3 billion, on top of the $2 billion Exxon has already spent.—**T.M.**

Energy	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/capital %**	**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Valero Energy	1.1	12.0	9.6	14.0	–23.3	28.2	NM	50.9	1,101	69	6.2
Louisiana Land	0.5	8.7	6.3	38.0	–11.4	15.4	NM	8.0	791	38	4.8
Murphy Oil	0.2	13.6	10.5	17.4	–6.7	12.4	NM	104.6	1,803	105	5.8
Harken Energy	def	def	def	53.1	NM	–16.1	NM	P-D	923	–37	def
Hadson	def	def	def	113.8	72.5	–29.2	NM	D-D	553	–159	def
Petroleum Heat & Pwr	def	NE	def	87.2	17.6	21.4	NM	D-D	587	–17	def
Pennzoil	def	def	1.1	46.9	–2.9	–15.2	NM	P-D	1,902	–39	def
Tesoro Petroleum	def	10.1	11.1	35.0	–23.3	32.0	NM	D-P	1,007	23	2.3
Maxus Energy	defb	NE	4.4	67.6	–17.1	11.0	NM	D-D	635	–13	def
Oryx Energy	NA	6.0	5.9	63.7	–17.7	49.2	NA	130.0	1,659	99	6.0
Medians	**8.6**	**8.9**	**7.0**	**44.2**	**–9.5**	**12.4**	**NM**	**–21.1**	**1,902**	**69**	**2.7**
Oilfield services											
Dresser Industries	6.1	10.6	10.3	11.3	NM	9.2	NM	6.8	4,195	170	4.0
Schlumberger	6.0	17.9	17.0	9.1	–5.3	6.6	NM	23.9	5,039	517	10.3
Halliburton	1.3	8.8	8.2	8.1	NM	24.1	NM	90.2	6,697	186	2.8
Baker Hughes	def	13.1	12.3	33.2	–7.3	12.3	NM	65.6	2,614	142	5.4
Smith International	def	2.5	6.6	56.6	–18.5	16.6	NM	D-P	351	4	1.2
Baroid	NA	NA	NA	37.6	–12.6	15.2	NA	64.7	561	19	3.4
Medians	**1.3**	**10.6**	**10.3**	**22.3**	**–15.5**	**13.8**	**NM**	**65.2**	**3,405**	**156**	**3.7**

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Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

from a seven-year depression. Prices for many drilling items are rising. Buyers pay premiums for such products as a Baker Hughes bit that drills faster, and Baroid drilling muds that are less toxic to the environment. Merrill Lynch analyst Suzanne Cook expects service companies' earnings to climb at least 20% in 1991, after a 30% to 50% jump last year.

Natural gas companies pray that this winter will, at long last, be at least normally frosty. Gas demand peaks in winter, but mild weather in recent years has made for anemic pricing: flat for the last four years. The lower the thermometer goes this winter, the higher gas prices will rise.

Most pipelines are looking for ways to recover from customers part of the billions of dollars they paid to get out of old, high-priced gas supply contracts. A court struck down the recovery mechanism they had been using. Brooklyn Union Gas President Robert Catell sees two boons for distributors: Falling interest rates help this capital-hungry business, and high heating-oil prices encourage switching to gas.

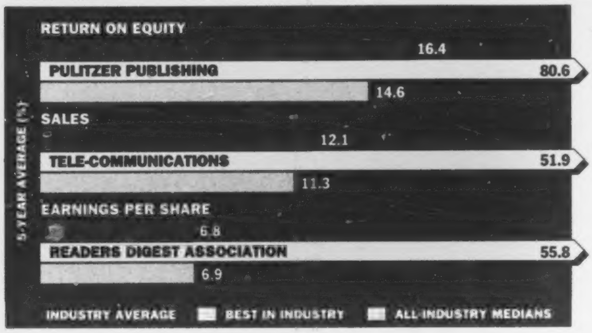
Record production and stockpiling by some utilities weakened coal prices in 1990. This year, absent a frigid winter and torrid summer, a slow economy is likely to keep electricity demand flat and thus prices soft. In 1992 or 1993 low-sulfur coal producers like Pittston and Westmoreland Coal will start to see modest benefits from the Clean Air Act. ■

Energy	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		Return on capital latest 12 mos %	Debt/ capital %	Sales		Earnings per share		latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Company	5-year average %	latest 12 mos %			5-year average %	latest 12 mos %	5-year average %	latest 12 mos %			
Gas producers & pipeliners											
Coastal Corp	13.4	11.4	7.2	56.1	5.4	5.8	8.3	2.4	8,637	202	2.3
Enron	11.0	14.9	7.6	45.0	–6.3	21.2	NM	107.5	11,195	263	2.4
Sonat	4.3	7.4	6.2	44.6	–10.3	–11.5	NM	–15.4	1,501	86	5.7
Williams Cos	3.8	3.6	4.5	46.2	–14.1	11.7	NM	58.6	1,819	48	2.7
Mitchell Energy	2.9	5.1	3.3	49.8	–7.8	12.0	NM	90.9	672	30	4.4
Transco Energy	1.3	6.5	5.5	47.8	–5.6	19.1	NM	D-P	3,191	70	2.2
Panhandle Eastern	def	4.8	5.8	61.7	–7.5	67.9	NM	D-P	3,246	63	2.0
Burlington Resources	NA	7.1	5.9	24.8	–20.4a	4.9	NA	–49.0	1,818	226	12.4
Medians	3.8	6.8	5.9	47.0	–7.6	11.9	NM	74.8	2,505	78	2.5
Gas distributors											
MCN	18.9b	12.4	7.0	41.5	–9.5	–6.3	NA	–27.2	1,217	38	3.1
Nicor	16.8	18.5	9.3	26.3	–8.9	1.5	NM	11.1	1,591	121	7.6
Peoples Energy	15.6	12.8	7.7	35.9	–8.6	–1.9	NM	–13.4	1,165	68	5.8
UtiliCorp United	14.5	11.5	7.5	38.8	28.4	19.1	3.4	–2.1	812	52	6.4
Laclede Gas	14.5	7.8	6.5	37.1	–6.9	–1.2	–3.3	–40.2	481	14	3.0
Piedmont Natural Gas	14.5	14.1	8.0	40.5	1.4	–5.0	9.5	0.8	407	26	6.4
Washington Gas Light	13.9	12.7	8.5	35.9	–2.2	–2.7	NM	3.3	736	50	6.8
Kansas Power & Light	13.7	11.6	6.8	37.7	–5.1	7.8	–3.0	–0.5	1,183	73	6.2
Southwest Gas	13.6	8.7	6.1	59.0	13.6	2.3	5.1	–19.3	849	31	3.7
Brooklyn Union Gas	13.2	10.7	6.8	41.8	–2.3	2.5	NM	–15.1	994	56	5.7
Wicor	13.1	9.3	8.3	30.9	–3.1	–5.7	NM	–28.8	698	24	3.4
UGI	12.0	9.3	7.5	31.5	–12.6	9.3	17.7b	–29.2	343	25	7.3
Atlanta Gas Light	11.4	10.4	7.1	38.8	–5.3	6.6	NM	6.3	1,001	46	4.6
Eastern Enterprises	9.2	12.9	8.9	29.4	–12.9	18.3	39.4b	9.5	934	64	6.9
Diversified Energies	8.4	3.6	4.0	34.6	–2.3	–7.5	NM	–74.2	759	9	1.2
Medians	13.7	11.5	7.5	37.1	–5.1	1.5	NM	–13.4	849	46	5.8
Integrated gas											
Consol Natural Gas	11.9	9.4	5.9	26.0	–5.9	9.7	–2.7	1.1	2,861	161	5.6
National Fuel Gas	11.8	11.1	7.3	38.9	–6.0	4.2	–2.5	–5.2	892	52	5.8
Pacific Enterprises	11.2	def	1.3	37.0	6.5	5.4	NM	P-D	6,927	–59	def
Equitable Resources	10.9	9.8	6.7	27.0	–2.7	39.3	–10.3	–2.5	628	49	7.9
Questar	8.4	10.5	7.5	30.3	–6.6	5.9	–11.8	7.4	517	52	10.1
Oneok	7.4	10.0	7.2	29.6	–13.9	8.0	–19.0	–6.2	668	33	4.9
Columbia Gas System	6.8	7.2	5.0	35.8	–7.6	4.3	14.0b	–8.6	2,945	117	4.0
KN Energy	3.8	12.5	8.2	36.1	–5.7	13.4	NM	D-P	382	20	5.2
Arkla	2.4	15.9	7.4	50.0	18.6	14.1	NM	D-P	2,347	113	4.8
Enserch	def	9.9	6.1	44.5	–5.3	4.1	NM	56.5	2,792	83	3.0
Medians	7.9	10.0	7.0	35.9	–5.8	7.0	–15.4	–0.7	1,620	52	5.1
Coal & other											
Nacco Industries	21.3	16.8	8.5	66.4	13.7	45.2	16.5	14.7	1,380	51	3.7
Cyprus Minerals	11.4	10.2	9.8	14.0	22.8	3.4	147.8b	–54.6	1,825	137	7.5
Westmoreland Coal	def	9.7	8.7	17.4	–0.6	–5.7	NM	9.2	567	15	2.6
Pittston	def	3.1	3.8	22.4	6.2	7.6	NM	–53.9	1,765	13	0.7
Medians	5.5	10.0	8.6	19.9	9.9	5.5	NM	D-P	1,573	33	3.1
Industry medians	9.3	10.0	7.2	37.6	–6.6	9.2	NM	–2.5	1,659	63	4.0
All-industry medians	14.6	12.1	9.2	32.6	11.3	6.6	6.9	–2.6	1,282	49	4.0

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

ENTERTAINMENT & INFORMATION



After glittering on Wall Street for much of the 1980s, many of Tinseltown's entertainment companies look rather tarnished.

By Kathryn Harris

THE COMEUPPANCE HAS BEEN BRUTAL: 1990 confirmed that most entertainment and information companies had fallen out of favor with investors. The freshest evidence was MCA's inability to fetch the $80 to $90 per-share price anticipated in its sale to Matsushita Electric Industrial Co. MCA settled for a cash and securities deal valued at $71. Meanwhile, the failure rate accelerated for smaller movie companies, with at least three more seeking bankruptcy protection.

Judging by last year's domestic box office receipts (nearly $5 billion) and home video rentals (over $7 billion), the movie business isn't doing badly. But Wall Street and Hollywood sources say the industry has reached a crisis point with runaway costs.

In broadcasting, the news isn't much better. Network viewership continues to erode, and advertisers are spending more of their money on cable or other media. But even cable—the longtime darling of Wall Street and lenders—is suffering now from an inability to borrow money.

Newspaper advertising revenue showed only a 1.7% gain in 1990, according to PaineWebber analyst Ken Noble, who adds that the credit crunch has depressed all categories of local advertising, including TV stations and radio.

In consumer book publishing, margins have been under pressure in part because of big advances to authors. But overall, Noble says, book publishing is "not very cyclical" and some categories even prosper in recessions: college textbooks—because so many people return to campus when they can't find a job—and inspirational or religious books. ■

Exporting Hollywood

Christopher Little

Time Warner's Nicholas, Ross

Hollywood has muted its boast of being one of the nation's biggest exporters. Business overseas is still booming, but five out of the eight major studios now belong to foreign-based companies, if the pending Matsushita purchase of MCA is counted.

Only Time Warner insists it will remain in American hands and lead the pack in foreign expansion. Time Inc. and Warner Communications justified their merger plan in 1989 by arguing that an American company had to be large enough to compete globally.

Here is the wrinkle: The company took on nearly $11 billion in debt and now is searching for foreign investors who'll settle for a minority stake in certain Time Warner businesses. Yet the co-chief executives, Steven J. Ross and Nicholas J. Nicholas Jr., insist the search for partners has more to do with global expansion than with reducing debt.

Time Warner already derives 23% of its revenues from operations outside the U.S. The goal, says Nicholas, is to push the figure closer to 50%, as new markets open in Eastern Europe, Asia and other corners of the earth.

Warner's music group is a key element: Fully half that division's 1989 revenues of $2.5 billion came from foreign markets. The company's roster includes American artists like Madonna and Paul Simon, who are big sellers overseas. But in television programming the specter of quotas could inhibit the amount of U.S.-produced fare permitted to air on stations now proliferating in Europe. So Time Warner has also invested in a Scandinavian pay TV venture, a Hungarian cable TV system, and multiplex movie theaters in Moscow and Leningrad. In Australia the company has bought one-third of a movie studio, and a studio tour is expected to open by June 1991. Yet all these projects are small potatoes; Ross and Nicholas have bigger ventures in mind.

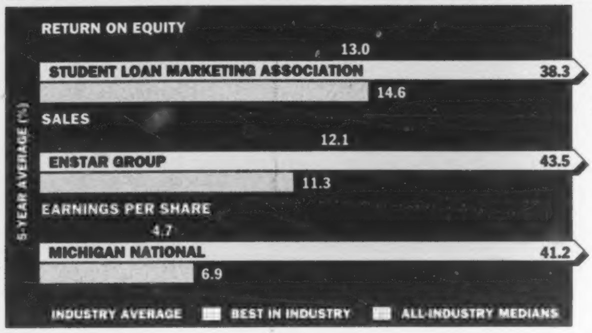
No major deal was anticipated by the close of 1990; Wall Street types think it will be hard persuading giant foreign companies to take minority stakes in Time Warner businesses. Publicly, however, Ross is undaunted. He promises that the 1990 annual report will be published in French, German, Italian and Japanese, as well as English.—K.H.

Entertainment & information	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Broadcasting & cable											
CBS	41.6	12.0	10.3	21.1	–12.1	11.8	22.7	16.2	3,207	327	10.2
Capital Cities/ABC	15.9	15.3	11.8	30.6	45.0	12.2	23.4	15.6	5,344	502	9.4
Multimedia	0.6	NE	35.0	227.9	8.9	4.1	NM	30.0	476	47	9.9
Tele-Communications	def	def	3.3	80.9	51.9	24.4	NM	D-D	3,511	–213	def
Comcast	def	def	def	85.1	46.6	21.9	NM	D-D	642	–183	def
Cablevision Systems	def	NE	def	137.2	39.9	11.7	NM	D-D	549	–277	def
Turner Broadcasting	def	NE	4.2	108.7	30.4	34.1	NM	D-D	1,329	–10	def
Viacom	NA	def	6.2	85.1	35.8	10.6	NA	P-D	1,555	–32	def
Medians	**def**	**def**	**5.2**	**85.1**	**37.9**	**12.0**	**NM**	**P-D**	**1,442**	**–21**	**–1.4**
Movies											
General Cinema	46.6	4.0	5.3	29.5	19.9	5.0	34.7	–93.5	2,112	63	3.0
Paramount Commun	32.2	37.2	32.5	17.9	NM	–6.4	41.1	266.6	3,660	1,383	37.8
Walt Disney	26.4	26.7	20.8	24.5	21.6	27.2	41.8	17.6	5,844	824	14.1
Handleman	24.7	15.6	14.9	6.6	14.6	10.4	17.1	–21.4	749	34	4.6
LIVE Entertainment	20.8	11.9	8.9	58.9	18.9	69.1	NM	–51.6	657	16	2.4
Commtron	18.0	16.8	16.5	0.0	18.9	0.7	15.8	15.4	554	9	1.7
MCA	10.6	10.6	8.4	34.2	14.5	14.5	11.2	0.0	3,881	209	5.4
Time Warner	9.4	def	1.4	54.3	17.1	96.7	NM	P-D	11,320	–415	def
Orion Pictures	4.5	3.9	5.8	59.1	21.2	–2.4	15.2b	–50.6	486	9	1.9
AMC Entertainment	def	def	def	82.7	15.4	–5.9	NM	P-D	430	–22	def
UA Entertainment	def	def	1.0	75.0	23.3	33.7	NM	D-D	1,426	–95	def
Pathe Communications	defb	103.2	2.7	69.2	NM	–25.6	NM	D-P	288	–2	def
Medians	**14.3**	**11.3**	**7.1**	**44.2**	**18.0**	**7.7**	**13.2**	**–36.0**	**1,088**	**13**	**2.1**
Publishing											
Pulitzer Publishing	80.6	41.7	17.9	55.6	11.2	2.3	20.9	20.6	407	25	6.2
Reader's Digest Assn	60.3a	35.9	33.5	1.8	8.5	12.8	55.8	20.2	2,092	185	8.8
Affiliated Pubs	33.9	16.0	11.1	43.2	12.1	3.1	13.0	–28.1	544	32	5.8
Washington Post	33.8	19.8	16.7	11.9	8.0	1.2	25.4	4.5	1,451	184	12.7
Dow Jones	27.7	8.8	6.0	29.8	12.9	3.3	18.2	–61.3	1,717	123	7.2
Commerce Clearing	26.4	16.7	14.3	6.7	10.4	5.3	NM	–11.0	703	36	5.1
Dun & Bradstreet	26.1	23.6	19.8	0.0	13.1	8.7	NM	–9.2	4,668	510	10.9
Western Publishing	25.6	10.0	10.0	0.0	14.8	–0.5	17.8	–13.8	499	20	4.0
New York Times	24.9	3.3	2.0	20.3	7.4	4.9	19.4	–89.5	1,791	34	1.9
Gannett	22.3	19.4	14.0	27.4	12.9	1.5	12.3	–0.4	3,506	387	11.0
Knight-Ridder	22.1	18.3	12.6	42.6	6.4	4.0	14.4	–24.7	2,325	169	7.3
Times Mirror	21.6	10.6	8.0	29.6	4.3	2.6	6.8	–34.9	3,570	199	5.6
Interpublic Group	21.2	21.0	20.4	8.5	15.9	3.9	16.3	12.4	1,284	75	5.8
Tribune	19.6	13.6	10.1	28.4	6.5	3.5	17.5	–15.4	2,496	195	7.8
RR Donnelley & Sons	18.3	15.6	12.1	25.0	11.6	5.6	11.1	3.2	3,281	226	6.9
Banta	17.2	8.5	7.4	26.7	14.4	3.7	8.5	–50.0	580	17	2.9
Central Newspapers	16.0a	12.5	11.5	0.8	5.0	2.2	6.9	–0.8	438	32	7.4
McGraw-Hill	15.3	2.6	3.1	35.4	5.6	6.8	–14.2	–88.2	1,899	23	1.2
Houghton Mifflin	14.1	12.5	12.4	21.6	10.0	8.8	5.8	17.3	428	25	5.9
EW Scripps	13.4b	8.9	6.9	29.0	9.5	3.3	NM	–27.2	1,297	58	4.5
Meredith	11.9	9.2	6.9	0.1	12.1	–4.2	–4.5	0.0	742	25	3.4
Standex International	11.9	16.1	12.5	31.4	3.7	7.0	NM	16.8	474	23	4.9
American Greetings	10.6	12.4	9.5	25.7	7.0	6.7	–6.7	54.6	1,339	75	5.6
AH Belo	8.4	10.8	6.8	47.0	2.3	7.0	–15.2	49.4	436	25	5.8
Media General	7.6	8.2	5.5	36.2	4.2	–1.5	–15.3	D-P	623	21	3.4
Harcourt Brace	6.0	NE	42.4	162.6	25.7	4.4	–15.0	D-P	1,404	262	18.7
Medians	**20.4**	**12.5**	**11.3**	**27.0**	**9.7**	**3.8**	**7.7**	**–0.6**	**1,318**	**47**	**5.8**
Advertising											
Omnicom Group	16.9	22.3	14.0	49.8	9.6	19.2	NM	14.1	1,147	52	4.5
Grey Advertising	14.5	13.2	15.2	2.8	16.0	9.7	8.2	–0.9	451	15	3.3
ADVO-System	def	26.9	27.9	0.0	11.1	6.0	NM	179.4	655	16	2.5
Medians	**14.5**	**22.3**	**15.2**	**2.8**	**11.1**	**9.7**	**NM**	**14.1**	**655**	**16**	**3.3**
Industry medians	**16.4**	**12.0**	**10.1**	**29.6**	**12.1**	**5.3**	**6.8**	**–0.9**	**1,297**	**32**	**4.9**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: FORBES; Value Line Data Base Service via Lotus CD Investment.

FINANCIAL SERVICES



The Fed has finally eased up, somewhat, on the banking system. But problems persist.

By Matthew Schifrin

THE GOOD NEWS FOR THE FINANCIAL SERVICES industry is that McDonald's and Wendy's are hiring. Unfortunately, this isn't a joke for the more than 75,000 bank and investment firm employees who have lost their jobs since late 1987. Many thousands more will be laid off in the months ahead, especially if the big banks begin to merge.

While many other industries featured in our annual survey of business are just beginning to feel the effects of the slowing economy, parts of the financial services industry have been in the midst of what some are calling a depression for nearly

Financial services	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital latest 12 mos %	Debt/ capital %	Sales		Earnings per share		latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Company	5-year average %	latest 12 mos %			5-year average %	latest 12 mos %	5-year average %	latest 12 mos %			
Multinational banks											
First Chicago	**10.6**	12.5	9.4	33.4	**4.0**	6.1	**34.9**	–19.1	5,689	315	5.5
Bank of Boston	**9.6**	def	def	41.1	**16.2**	1.2	**–13.8**	P-D	6,352	–221	def
Citicorp	**7.1**	def	4.3	58.9	**13.1**	10.0	**–11.9**	P-D	39,918	–84	def
BankAmerica	**3.1**	14.7	11.1	38.8	**–6.0**	4.3	**NM**	–19.5	11,972	810	6.8
JP Morgan & Co	**1.9**	17.6	10.7	48.7	**8.5**	2.1	**NM**	D-P	10,383	738	7.1
Chase Manhattan	**0.7**	def	def	54.3	**7.6**	0.8	**NM**	D-D	13,880	–352	def
Bankers Trust NY	**def**	28.8	16.3	47.3	**8.4**	7.3	**NM**	D-P	7,538	643	8.5
Chemical Banking	**def**	9.5	7.6	45.4	**8.1**	–1.4	**NM**	D-P	7,989	317	4.0
Manufacturers Hanover	**def**	9.9	6.6	42.8	**NM**	–10.6	**NM**	D-P	7,726	268	3.5
Continental Bank	**def**	def	1.7	35.3	**NM**	–17.0	**NM**	P-D	2,906	–17	def
Medians	**1.3**	**9.7**	**7.1**	**44.1**	**7.9**	**1.6**	**NM**	**D-P**	**7,858**	**292**	**3.7**
Regional banks											
State Street Boston	**19.8**	18.6	12.9	29.2	**17.8**	21.9	**15.2**	12.0	1,263	114	9.0
First Union	**19.5**	12.7	11.8	27.6	**17.3**	20.7	**5.9**	–8.6	3,875	288	7.4
Michigan National	**19.4**	9.2	8.6	8.9	**8.3**	–30.7	**41.2**	–60.3	1,015	70	6.9
Bancorp Hawaii	**19.0**	18.5	17.8	7.1	**11.5**	24.6	**17.9**	15.5	893	91	10.3
CoreStates Financial	**18.4**	18.2	15.0	32.1	**12.6**	31.4	**4.5**	–5.7	2,418	238	9.8
Signet Banking	**18.1**	9.0	7.9	32.1	**14.1**	14.2	**NM**	–42.1	1,454	67	4.6
Wells Fargo	**18.1**	27.9	16.3	43.0	**11.5**	4.7	**27.6**	27.7	5,755	713	12.4
MNC Financial	**18.1**	def	def	30.1	**16.3**	33.8	**24.4**	P-D	3,089	–183	def
SunTrust Banks	**17.9**	16.7	14.7	17.6	**7.9**	4.8	**12.6**	6.6	3,379	349	10.3
C&S/Sovran	**17.9**	11.4	10.1	23.0	**12.3**	6.5	**12.4**	–29.4	5,249	355	6.8
NCNB	**17.7**	16.3	12.9	34.1	**25.3**	25.0	**14.0**	12.3	6,578	471	7.2
National City	**17.7**	17.7	16.0	12.8	**13.4**	6.3	**12.0**	1.6	2,663	266	10.0
Old Kent Financial	**17.5**	15.9	13.5	12.0	**14.9**	3.9	**6.2**	3.7	871	89	10.2
Fleet/Norstar Finl	**17.5**	3.9	5.2	47.9	**17.1**	13.8	**11.4**	–76.4	3,977	93	2.3
Banc One	**17.4**	17.4	16.4	16.7	**15.1**	9.0	**12.7**	12.8	3,350	407	12.2
First Wachovia	**17.4**	16.6	15.7	5.7	**7.1**	5.7	**8.2**	10.3	2,490	291	11.7
SouthTrust	**17.3**	13.7	12.0	21.9	**15.9**	14.4	**9.9**	–4.6	836	70	8.3
Barnett Banks	**17.2**	9.7	8.9	18.3	**17.5**	10.0	**11.0**	–34.8	3,226	165	5.1
Midlantic	**16.9**	def	def	25.9	**13.8**	15.5	**10.1**	P-D	2,534	–163	def
PNC Financial	**16.7**	8.5	8.2	25.2	**26.7**	8.1	**3.9**	–52.5	4,875	241	4.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

three years. The slump in the stock market and a drying up of leveraged buyout and initial public offering business took their toll on brokerage firms. Pretax industry margins for 1990 are expected to be around 1%, the lowest level since fixed-price commissions were abolished in the mid-1970s.

Securities brokers are facing encroachment from banks, both foreign and domestic, and from the big corporations they serve. Former clients such as Du Pont, GM, IBM and Kodak now handle their own foreign exchange trading, commercial paper underwriting and even mergers and acquisitions. Merrill Lynch is abandoning its strategy of being the biggest in every business and is reorganizing to cut $100 million in annual expenses. PaineWebber is rumored to be discussing a merger with Prudential-Bache Securities.

Two Wall Street firms on our list, Morgan Stanley and Salomon Brothers, are doing better than many competitors. Both companies refocused efforts on an old franchise—trading for their own accounts. Salomon is also getting a big kick from its global oil-trading subsidiary, Phibro Energy.

As for the banks and thrifts, they could be headed toward a

Privileged plastic

When Saddam Hussein's tanks rolled into Kuwait in August, most bank card companies offering Visa and MasterCard immediately froze the accounts of all Kuwaitis. Not American Express. Most Kuwaiti cardholders living outside the tiny country never lost their card service. Even hostages inside Iraq and Kuwait who had American Express cards or traveler's checks could use them for food, lodging and basic necessities.

Maria Robledo

Richard Thoman of American Express International

"We will probably lose a little money there, but it's worth it," says Richard Thoman, the 46-year-old president of American Express International. In fact, AmEx continued to provide service to customers during Mexico City's 1985 earthquake and the U.S. invasion of Panama in 1989.

And when Tiananmen Square erupted in violence in 1989, AmEx' office lost only about an hour's service. "We have a few bullet holes in our branch there," says Thoman.

To foreigners the message is clear: Membership does have its privileges. As a result, 10 million of the 25 million outstanding AmEx cards are held by foreigners. The breakdown: 1 million in Japan, 5 million in Europe and another 4 million in Asia and Latin America. In all, AmEx International has 25,000 employees working overseas in 1,600 offices in 150 countries.

As in the U.S., AmEx' bread and butter is its Travel Related Services Group, which offers charge cards and traveler's checks. Ten years ago 90% of TRS International's profits came from U.S. citizens traveling abroad; now about 85% of its earnings comes from spending by foreigners using credit cards and traveler's checks in their own countries or overseas.

Besides TRS, Thoman is in charge of American Express Bank, a $17 billion (assets) bank that targets affluent foreigners from 83 offices in 39 countries. AmEx International's newest overseas division, called Consumer Financial Services, aims to sell insurance, investment and lending products abroad. Total spending on advertising and marketing by American Express International this year should reach $400 million.

AmEx' aggressive marketing overseas is especially welcome as an offset to problems at home. Ailing Shearson, for example, has already sucked more than $1 billion in capital from parent American Express. AmEx' cardholders abroad increased 17% last year, compared with only 9% domestically. Among other things, the foreign card business is more profitable because of the higher personal savings rates abroad, which result in lower delinquency rates and writeoffs. Many foreigners, moreover, are now learning the pleasures of shopping, at a time when many U.S. cardholders are shopped out. —M.S.

severe liquidity crisis, reports Christopher Quackenbush of Sandler, O'Neill, a New York City-based investment banking firm. Weak earnings limit the ability of many banking institutions to generate capital. Meanwhile, throughout 1990 the government was promulgating tougher capital and loan-loss reserve requirements. "That's like kicking the industry when it's down," says Quackenbush. Finally, late in the year, the Fed relented, somewhat. Even so, Salomon Brothers' stock index of 35 major banks is off more than 50% from a year ago.

Casualties continue to mount. Soured junk bond investments left Columbia Savings & Loan nearly insolvent. Montgomery, Ala.-based Enstar Group's 50%-owned American

Financial services	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity				Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Marshall & Ilsley	16.4	14.0	12.4	20.6	13.0	8.3	11.0	–3.0	821	80	9.7
Dominion Bankshares	16.3	2.3	3.2	18.9	19.0	8.2	7.4	–84.4	1,108	16	1.4
UJB Financial	16.3	4.1	4.5	8.8	14.4	12.7	10.2	–72.0	1,335	36	2.7
Society	15.5	16.2	17.9	16.4	11.7	43.3	11.3	–0.2	1,581	144	9.1
South Carolina Natl	15.5	12.7	11.7	10.1	14.3	7.1	11.2	–4.8	682	55	8.1
NBD Bancorp	15.4	16.0	14.8	11.0	13.2	7.4	14.3	5.1	2,660	271	10.2
Security Pacific	15.2	16.3	10.8	56.8	14.9	7.3	9.3	–5.9	10,408	711	6.8
First of America Bank	15.1	13.7	12.6	15.8	21.7	12.1	5.4	–5.7	1,354	125	9.3
BayBanks	15.0	def	def	8.7	14.5	–0.3	8.1	P-D	1,081	–31	def
Huntington Bcshs	15.0	11.4	10.7	16.1	12.6	15.1	7.7	–24.1	1,249	84	6.8
KeyCorp	14.9	15.0	12.7	27.3	25.0	6.8	5.6	9.5	1,708	147	8.6
Crestar Financial	14.8	12.0	10.7	17.9	11.9	7.7	4.7	–14.2	1,234	88	7.1
Manufacturers Natl	14.6	16.2	15.3	8.8	12.3	3.8	12.9	1.0	1,126	106	9.5
Comerica	14.5	18.6	14.7	26.2	3.1	6.5	13.5	62.8	1,293	126	9.8
Union Bank	14.4	17.0	13.7	24.4	21.1	6.6	18.5	5.3	1,666	144	8.6
AmSouth Bancorp	14.4	10.9	9.9	18.2	16.0	1.3	2.7	–25.1	892	60	6.7
US Bancorp	14.3	16.7	12.7	35.0	18.0	17.3	11.5	19.3	1,871	177	9.4
Meridian Bancorp	14.2	3.8	4.1	17.3	16.9	18.7	1.7	–70.9	1,272	27	2.1
Firstar	13.7	17.1	14.3	20.4	9.3	7.2	20.9	12.8	960	95	9.9
Commerce Bcshs	13.6	13.5	14.2	7.9	2.1	7.4	14.4	1.5	591	57	9.7
INB Financial	13.6	10.4	10.3	10.1	13.7	3.7	NM	–22.9	653	46	7.1
Northern Trust	13.3	18.5	15.3	12.0	10.4	7.3	38.2	–10.0	1,291	117	9.1
Norwest	12.7	19.0	11.4	63.2	NM	19.7	31.8	8.7	3,364	271	8.1
First Tennessee Natl	12.0	12.5	10.9	24.4	6.4	7.0	–5.3	57.7	731	47	6.5
Ameritrust	11.2	0.7	1.8	21.7	13.2	8.0	9.7	–95.4	1,270	9	0.7
Boatmen's Bancshares	10.4	12.3	11.4	18.2	4.5	3.7	NM	60.0	1,505	133	8.9
Southeast Banking	10.0	def	def	36.4	9.9	0.2	NM	P-D	1,666	–180	def
Bank of New York	9.9	13.5	10.9	23.3	25.5	7.6	NM	D-P	5,405	350	6.5
Riggs National	9.8	2.8	4.5	45.3	7.1	9.0	3.3	–76.8	734	10	1.3
First Security	8.2	10.8	9.6	22.4	NM	13.2	19.9	9.1	667	48	7.2
First Fidelity Bncp	8.0	def	def	43.9	11.2	3.1	–23.9	D-D	3,062	–75	def
Republic New York	7.6	20.2	10.2	57.2	18.2	6.8	NM	D-P	2,676	246	9.2
First American Corp	7.6	def	def	4.4	13.5	1.4	–10.9	P-D	757	–62	def
Shawmut National	7.3	def	def	32.6	15.9	–4.2	NM	P-D	2,854	–258	def
United Banks of Colo	3.6	def	def	11.4	6.5	6.4	–28.8	P-D	657	–67	def
Mercantile Bancorp	3.5	12.6	11.3	21.5	3.5	4.1	NM	D-P	751	51	6.8
First Bank System	def	def	2.8	51.8	NM	8.4	NM	D-D	2,227	–13	def
Valley National	def	def	1.7	23.5	4.2	–5.1	NM	D-D	1,147	–7	def
First Interstate Bncp	def	def	4.1	55.1	5.0	–7.0	NM	P-D	6,081	22	0.4
Mellon Bank	def	14.9	11.3	45.9	2.2	–2.5	NM	9.4	3,483	279	8.0
Bank of New England	def	def	def	75.5	19.7	–24.4	NM	P-D	2,758	–1,438	def
Premier Bancorp	def	4.4	5.1	24.3	2.6	–3.7	NM	D-P	400	6	1.6
First City Bncp Texas	NA	2.4	5.2	7.5	NA	NA	NA	NA	1,409	37	2.6
Medians	14.8	12.5	10.8	21.9	13.2	7.3	8.2	–5.7	1,454	88	7.1
Thrift institutions											
Golden West Finl	23.8	17.2	9.9	54.8	9.1	14.3	7.8	17.2	2,086	180	8.6
Standard Fedl Bank	14.4b	9.0	7.5	15.3	11.8	–3.8	NA	–18.9	922	40	4.3
HF Ahmanson	13.7	12.4	6.9	44.9	8.0	12.0	15.2	27.4	4,653	249	5.4
Washington Mutual	13.0	7.3	7.2	44.4	11.2	10.3	NM	–9.2	713	32	4.5
GlenFed	12.9	9.6	7.0	42.7	13.2	–4.9	39.8	5.2	2,520	115	4.6

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Savings & Loan Association of Florida is in a similar condition. The group made a big mistake when it diversified out of day care centers (Kinder-Care) and into the thrift business.

Strong retail deposits have helped some banks, among them BankAmerica and Citibank. But further weakening of the economy could give rise to consumer credit problems. The U.S. Office of the Courts expects over 800,000 consumer bankruptcies in 1991, up 23% from 1989. This will hurt financial institutions with large credit card operations like Citibank, Chase Manhattan, MNC Financial and consumer finance companies like Household International. The banking systems' problems, in short, are far from over. ■

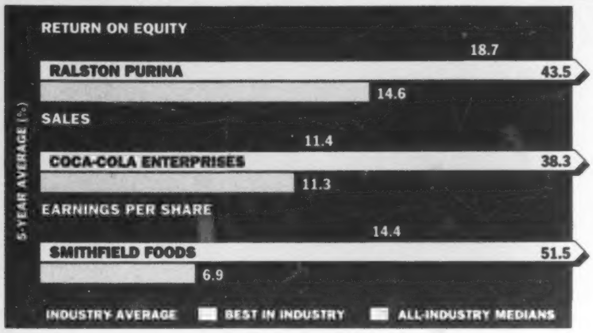
Financial services	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		**Return on capital latest 12 mos %**	**Debt/capital %**	**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**			**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
HomeFed	12.5	def	def	33.2	13.5	4.3	12.3	P-D	1,927	–39	def
Gt Western Financial	12.0	5.7	6.8	70.0	2.7	10.3	NM	–52.2	4,101	112	2.7
FirstFed Michigan	11.6	7.2	6.5	58.7	1.8	–4.0	–20.1	491.7	1,105	32	2.9
CalFed	10.9	def	def	30.5	8.1	–22.5	NM	P-D	2,382	–103	def
Talman Home Federal	7.2b	4.7	7.0	0.0	–2.3	–4.7	NA	–26.6	541	16	2.9
Commercial Federal	6.0a	def	def	31.8	22.0	–22.9	NM	P-D	499	–43	def
Homestead Financial	3.0	def	def	78.4	4.9	–39.0	NM	D-D	262	–29	def
Coast Savings Finl	2.2a	def	def	60.3	13.3	–6.5	NM	D-D	1,124	–54	def
TCF Financial	1.1b	def	def	16.9	NM	–14.1	NM	P-D	476	–23	def
Dime Savings Bank FSB	defb	def	def	47.6	11.4	–3.0	NM	P-D	1,116	–225	def
Enstar Group	def	2.6	2.5	63.5	43.5	–40.2	NM	D-P	473	–5	def
Great American Bank	def	def	def	54.9	17.0	–16.2	NM	D-D	1,400	–342	def
CrossLand Savings FSB	defa	def	def	52.8	11.5	–19.9	NM	D-D	1,184	–284	def
American Capital	def	def	def	86.8	29.6	–19.2	NM	D-D	521	–40	def
Meritor Savings Bank	def	def	def	75.1	NM	–34.9	NM	D-D	932	–223	def
Northeast Federal	def	def	def	52.5	11.2	–32.3	NM	D-D	498	–104	def
AmeriFirst Bank	defb	def	def	79.0	–3.1	–11.1	NA	D-D	391	–80	def
Columbia S&L Assn	def	def	def	NE	10.9	–60.1	NM	D-D	546	–1,161	def
Anchor Savings Bank	NA	def	def	30.0	5.7	10.1	NA	D-D	914	–144	def
Goldome	NA	34.6	8.2	21.0	NM	3.0	NA	D-P	1,369	26	1.9
People's Bank	NA	def	def	0.0	9.9	4.8	NA	NA	712	–32	def
Medians	**3.0**	**def**	**def**	**46.3**	**10.4**	**–5.7**	**NM**	**P-D**	**927**	**–36**	**–4.7**
Brokerage & commodity											
Morgan Stanley	34.2a	19.1	14.8	35.1	33.4	10.9	33.7a	–10.9	5,985	361	6.0
Bear Stearns Cos	19.5b	10.9	9.5	26.3	24.6	–4.0	13.7a	–31.2	2,367	115	4.9
AG Edwards	17.2	16.3	16.5	0.0	12.0	14.3	9.7	6.1	639	57	8.9
Commercial Metals	13.2	13.4	11.6	20.4	NM	–13.2	25.6	–7.7	1,124	26	2.3
Salomon	11.0	10.6	7.7	73.8	12.5	14.8	NM	15.0	9,528	386	4.1
Merrill Lynch	7.3	def	3.0	65.9	13.6	–1.6	NM	P-D	11,200	–200	def
PaineWebber Group	6.4	3.3	5.3	39.1	12.3	9.3	NM	36.4	3,082	46	1.5
Balfour Maclaine	defb	def	def	59.8	19.8	–25.7	NM	P-D	983	–32	def
Charles Schwab	NA	11.8	9.4	43.3	29.2	22.4	NA	66.7	619	22	3.5
Medians	**12.1**	**10.9**	**9.4**	**39.1**	**13.6**	**9.3**	**NM**	**–7.7**	**2,367**	**46**	**3.5**
Lease & finance											
Student Loan	38.3	33.9	7.1	95.0	21.7	13.5	27.9	16.3	3,533	291	8.2
Federal Natl Mortgage	25.5	33.6	6.6	95.7	3.8	11.1	81.4b	45.8	12,511	1,103	8.8
H&R Block	24.9	25.4	25.1	1.0	17.6	15.5	14.7	19.9	1,062	122	11.5
Equifax	22.5	16.3	12.0	30.9	10.2	9.9	13.3	0.6	900	40	4.5
American Express	21.4	4.9	9.3	65.2	19.5	–2.5	10.8	–75.3	24,352	301	1.2
Household Intl	20.1	17.9	7.5	77.2	–14.2	27.8	12.4	–10.5	4,154	226	5.4
GATX	16.2	14.5	6.7	64.5	–4.2	27.0	38.4b	3.1	824	74	9.0
Primerica	12.2	13.9	9.9	53.6	23.8	40.1	60.2b	–6.0	6,085	370	6.1
Beneficial Corp	10.3	15.8	8.1	79.5	–4.7	7.0	NM	24.3	1,700	130	7.6
Ryder System	10.1	5.8	6.5	54.9	16.7	1.9	–15.9	15.4	5,198	89	1.7
Landmark Land	def	def	def	NE	21.3	–12.1	NM	P-D	471	–94	def
Medians	**20.1**	**15.8**	**7.5**	**64.5**	**16.7**	**11.1**	**13.3**	**3.1**	**3,533**	**130**	**6.1**
Industry medians	**13.0**	**10.4**	**7.7**	**30.9**	**12.1**	**6.5**	**4.7**	**–10.0**	**1,454**	**60**	**4.6**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: FORBES; Value Line Data Base Service via Lotus CD Investment.

FOOD, DRINK & TOBACCO

The cigarette companies remain under fire. But even during a recession, people have to eat and drink.



By Edward Giltenan

In 1990 the temperance and antismoking crowds launched more attacks against the American beer and cigarette companies. Health & Human Services Secretary Louis Sullivan called for a ban on cigarette vending machines; beer companies were urged to halt their sponsorship of motor sports. This year state and federal lawmakers are expected to pass higher excise taxes on beer and cigarettes. That should further depress the already dwindling appetite in America for alcoholic beverages and tobacco.

Still, the leading domestic beverage and tobacco manufac-

Food, drink & tobacco	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Food processors											
General Mills	51.0a	46.0	23.3	26.6	6.6	15.6	25.7	27.4	6,686	396	5.9
Ralston Purina	43.5	32.1	17.4	54.3	4.4	6.7	20.2	0.3	7,101	396	5.6
Kellogg	39.0	27.8	20.2	15.3	12.8	5.4	16.9	–2.1	4,906	452	9.2
Hudson Foods	32.3	7.3	6.1	33.6	30.9	7.4	NM	–64.7	667	9	1.3
Tyson Foods	31.4	26.2	7.0	55.0	25.2	50.7	35.6	16.8	3,825	120	3.1
Smithfield Foods	29.4	28.5	19.4	32.9	8.7	24.9	51.5	197.1	969	15	1.5
Pilgrim's Pride	28.7	18.7	10.9	50.6	17.6	10.4	23.3	–17.2	706	16	2.3
Wm Wrigley Jr	28.6	32.9	32.1	0.0	11.5	12.2	25.1	7.9	1,084	113	10.4
CPC International	26.8	25.7	17.4	29.4	3.4	11.6	22.7	13.9	5,558	362	6.5
HJ Heinz	25.8	27.1	19.3	25.4	8.2	5.4	14.5	13.9	6,193	521	8.4
McCormick & Co	23.8	18.2	13.0	35.2	9.9	4.2	19.3	–48.7	1,285	64	5.0
ConAgra	22.6	22.9	16.2	34.6	26.5	27.0	21.3	12.1	15,981	240	1.5
Sara Lee	21.9	18.8	12.6	24.5	10.4	1.8	16.5	8.6	11,925	483	4.1
WLR Foods	21.4	15.8	15.3	5.4	9.0	7.2	NM	–21.5	500	16	3.2
Lance	21.3	21.4	19.2	0.0	4.9	2.0	8.3	16.4	443	47	10.6
Dean Foods	21.2	19.5	15.3	26.8	13.2	20.2	8.9	3.5	2,078	64	3.1
Quaker Oats	20.7	10.9	7.2	22.9	12.5	–6.6	12.2	–30.5	5,143	147	2.9
Hershey Foods	20.2	20.0	16.1	13.7	4.7	9.2	14.3	37.0	2,633	224	8.5
JM Smucker	19.7	17.6	16.8	2.2	11.1	10.8	14.4	6.1	440	31	7.0
Savannah Foods	19.6	28.7	19.6	26.1	13.9	12.6	15.5	22.7	1,193	48	4.1
Gerber Products	19.4	27.9	20.8	25.8	3.9	6.0	13.7	12.0	1,171	104	8.9
Flowers Industries	18.6	15.6	11.4	26.5	5.7	3.2	8.6	24.7	831	33	4.0
Universal Foods	17.2	23.5	15.6	30.4	14.2	0.2	23.4	21.9	839	49	5.9
Curtice Burns Foods	16.9	5.9	5.8	67.2	5.0	9.8	9.1	–61.5	937	6	0.6
Geo A Hormel	15.2	16.4	15.0	3.3	11.5	14.6	18.2	10.4	2,681	77	2.9
Chiquita Brands Intl	15.1	17.3	12.2	38.3	3.6	12.6	27.9	6.7	4,226	85	2.0
Castle & Cooke	15.1a	14.9	10.0	15.6	10.6	16.2	39.0a	40.9	3,030	125	4.1
Pioneer Hi-Bred Intl	14.7	11.7	11.0	2.6	3.2	11.2	NM	–24.6	964	73	7.5
Archer Daniels	14.3	14.3	11.8	15.5	10.7	2.2	27.6	4.2	7,980	474	5.9
Seaboard	12.9	13.5	9.4	22.5	16.0	0.8	14.1	–3.5	528	26	4.8

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

turers remain highly profitable. The companies listed on the table below reported latest 12-month return on equity of almost 16%, four percentage points better than the median company in this survey.

Cigarette makers are using their steady cash flow to expand their overseas markets, where Marlboros, Winstons and other American-made smokes are in great demand. And they are diversifying. Philip Morris bought Swiss chocolatier Jacobs Suchard, doubling Philip Morris' European food sales in one bold stroke. Tobacco companies will continue to use their cigarette profits to get into businesses safe from the anti-smoking groups, even if the margins aren't nearly as good.

In the beer industry overall consumption is shrinking and power is concentrating in the hands of industry leaders Anheuser-Busch, Miller Brewing (owned by Philip Morris) and Adolph Coors. Anheuser, buoyed by discounting on its flagship Budweiser and Bud Light brands, was actually able to increase volume marginally last year. Look for one of the big

Food, drink & tobacco	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		Return on capital latest 12 mos %	Debt/capital %	Sales		Earnings per share				
Company	5-year average %	latest 12 mos %			5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Intl Multifoods	10.9	8.5	6.8	24.2	11.6	8.4	NM	–11.8	2,151	26	1.2
Borden	10.7	21.9	13.5	40.4	12.4	0.9	NM	D-P	7,691	361	4.7
Campbell Soup	10.4	1.6	2.9	28.9	8.4	7.1	7.1	5.0	6,277	27	0.4
Thorn Apple Valley	4.3	def	def	42.4	–2.3	10.9	NM	P-D	670	–5	def
American Maize	2.5	1.8	6.3	21.4	4.9	–6.7	NM	–41.8	496	3	0.5
ERLY Industries	def	21.3	10.4	82.4	15.9	7.1	NM	D-P	411	3	0.7
IBP	NA	10.0	7.8	48.9	8.1	6.3	–6.1b	11.7	9,846	50	0.5
Whitman	NA	def	4.2	55.2	15.0	–28.4	25.1	P-D	2,834	28	1.0
Medians	**20.0**	**18.4**	**12.8**	**26.5**	**10.5**	**7.3**	**14.4**	**7.3**	**2,115**	**64**	**4.0**
Food distributors											
Marriott	24.5	16.5	5.0	76.9	17.6	3.2	11.0	–52.4	7,621	102	1.3
Super Valu Stores	18.9	17.3	12.7	37.4	10.5	5.7	8.7	8.6	11,411	151	1.3
Wetterau	18.2	20.5	12.4	56.0	11.4	6.4	9.3	12.1	5,469	49	0.9
Sysco	17.8	19.5	12.5	40.1	22.5	7.9	16.4	20.8	7,739	138	1.8
Super Food Services	16.7	16.0	12.2	39.1	5.2	5.0	15.8	8.6	1,777	17	1.0
Imperial Holly	14.7	16.8	11.7	34.5	25.3	4.6	48.8	–33.0	726	20	2.7
Rykoff-Sexton	12.1	5.4	5.8	33.3	15.7	7.2	7.8	–44.4	1,426	11	0.8
Nash Finch	11.9	11.2	9.5	30.8	13.8	6.5	4.5	44.6	2,346	18	0.8
Fleming Cos	11.3	12.3	8.6	54.6	16.0	–3.6	NM	9.5	11,883	91	0.8
Finevest Foods	defb	def	def	79.2	34.8b	3.6	NM	D-D	712	–13	def
Richfood Holding	NA	13.7	9.4	38.3	9.1	–11.7	NA	D-P	1,014	6	0.6
TW Holdings	NA	NA	0.5	75.4	25.8	3.6	NA	NA	3,667	–105	def
Medians	**15.7**	**16.0**	**9.5**	**39.6**	**15.9**	**4.8**	**9.0**	**8.6**	**3,007**	**19**	**0.8**
Beverages											
Coca-Cola	39.1	57.0	43.3	12.3	11.0	13.6	22.1	59.5	9,929	1,845	18.6
PepsiCo	28.5	25.7	11.9	53.9	15.6	17.2	29.4	12.8	17,148	1,013	5.9
Anheuser-Busch Cos	23.6	22.9	12.0	33.2	8.0	10.8	17.7	9.0	10,370	829	8.0
Brown-Forman	22.8	15.4	11.9	14.1	3.7	5.3	18.7	–42.2	1,047	87	8.3
Seagram	13.2	13.3	10.9	26.5	18.9	8.4	14.4	10.5	4,672	708	15.2
Coca-Cola Enterprises	5.9b	5.2	5.1	48.3	38.3	3.8	9.8	–24.1	4,010	89	2.2
Adolph Coors	3.8	3.4	2.9	2.8	8.2	13.1	–18.3	2.1	1,908	36	1.9
Medians	**22.8**	**15.4**	**11.9**	**26.5**	**11.0**	**10.8**	**17.7**	**9.0**	**4,672**	**708**	**8.0**
Tobacco											
UST Inc	36.6	42.1	39.4	0.6	8.6	12.3	18.5	17.0	729	214	29.3
Philip Morris Cos	33.7	37.0	15.7	53.9	29.7	16.4	26.0	45.1	42,345	3,523	8.3
American Brands	21.4	25.3	17.4	32.4	11.6	13.3	14.7	26.1	8,256	757	9.2
Universal	17.6	9.6	8.3	30.1	26.9	–1.0	8.5	–18.5	2,880	37	1.3
Dibrell Brothers	17.5	15.9	10.1	51.0	14.3	11.3	7.7	–23.4	795	12	1.6
Culbro	9.0	3.8	4.8	55.6	NM	3.0	–22.2	D-P	976	5	0.5
Std Commercial	4.1	3.8	2.6	18.4	17.8	3.0	NM	D-P	986	5	0.5
Medians	**17.6**	**15.9**	**10.1**	**32.4**	**14.3**	**11.3**	**8.5**	**26.1**	**986**	**37**	**1.6**
Industry medians	**18.7**	**16.8**	**11.8**	**31.6**	**11.4**	**7.1**	**14.4**	**8.6**	**2,490**	**64**	**2.9**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

three to buy at least some assets of troubled independents Stroh's or G. Heileman.

Soda giants Coca-Cola and PepsiCo, also faced with slow growth at home, are taking their cola war to the European market. In Europe the two colas account for less than 40% of the carbonated drink market, versus 70% in the U.S.

Over the last ten years the food companies on our list have handily outperformed the rest of American industry in both return on equity and earnings growth. Many food companies have been shedding lackluster businesses and refocusing on food. Quaker Oats will spin off its Fisher-Price toy business. Conversely, chocolate giant Hershey Foods, now the nation's second-largest pastamaker, acquired Ronzoni Corp. from Philip Morris' Kraft General Foods.

While the economy has been slowing down, food processors and distributors have been holding up fairly well, and should continue to do so. When it comes to recession-proof businesses, it's tough to beat these companies. ■

¿Tiene usted los Corn Flakes?

Kellogg's Corn Flakes has been the world's bestselling brand for nearly a century. In fact, eight of the world's top ten cereals—including Raisin Bran, Frosted Flakes and Rice Krispies—are made by Kellogg Co. All of these brands are over 35 years old. Kellogg is wagering that the old favorites will get better as they grow older—and tighten Kellogg's grip on the international cereal business.

It looks like a good bet. Kellogg's leadership of the highly competitive U.S. market has been slipping, owing partly to the popularity of chief competitor General Mills' oat bran cereals, especially Cheerios. But outside the U.S.—where the appetite for cereal is growing at least 10% a year—Kellogg holds a commanding 50% of the business. That's five times more than number two player CPW Partners—a recent joint venture of Swiss food giant Nestlé S.A. and General Mills. The partnership may be overmatched. Kellogg has at least six of the top ten cereals in Japan, Australia, Germany, France, Canada, the U.K., Brazil and Spain.

How Kellogg, of Battle Creek, Mich., achieved its global dominance is easily told. Will Keith Kellogg started the company in 1906, but from the moment he set up operations in Canada in 1914 the company began its foreign expansion. Kellogg now gets 37% of its sales and 34% of its profits outside the U.S. and has 17 cereal plants in 15 foreign countries.

While traditional cereals have remained Kellogg's mainstay, the company has adapted to different cultures. For example, two years ago it introduced Genmai Flakes, a brown-rice-based cereal, in Japan; it is already the second-bestselling brand there, behind Corn Flakes.

There's plenty of room for the foreign cereal business to expand. Per capita consumption of cereal in the U.S. is 10 pounds a year; in most of the rest of the world, less than 2 pounds. "General Mills and Nestlé are going to help the market grow," says Kellogg Chairman William LaMothe.

Spain is a good case in point. In the last decade Nestlé moved vigorously into that market, grabbing a 10% share and stimulating the Spanish appetite for cereals. The Swiss behemoth failed to grab a meaningful share away from Kellogg, which still holds 83% of the rapidly growing market.

"Some companies may think they'll get lucky and build a new market overnight," says LaMothe. "We found it takes time." He hopes to retire by year-end. President Arnold Langbo, the likely successor, will start with a very solid and profitable cereal base overseas.—**E.G.**

Michael L. Abramson

Kellogg's
ZUCARITOS
Kellogg's
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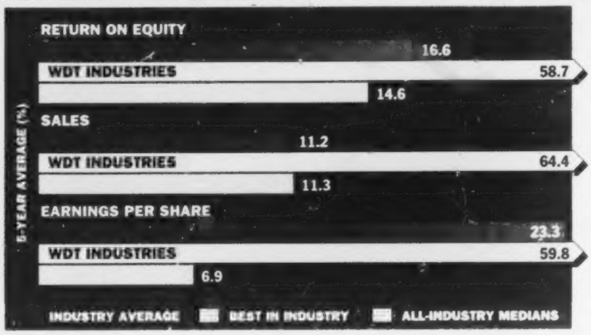
William LaMothe of Kellogg and friend

FOREST PRODUCTS & PACKAGING



Paper companies are retooling to recycle wastepaper, while the lumber and packaging industries are looking overseas.

By Paul Klebnikov

At the start of last year there were fears that declining demand and overcapacity would send paper prices into a tailspin. Instead, the industry saw record sales, albeit with widespread earnings declines. Despite a cyclical downturn and some scaling back of expansion plans, papermakers plan to increase capacity at the fastest rate since the early 1980s.

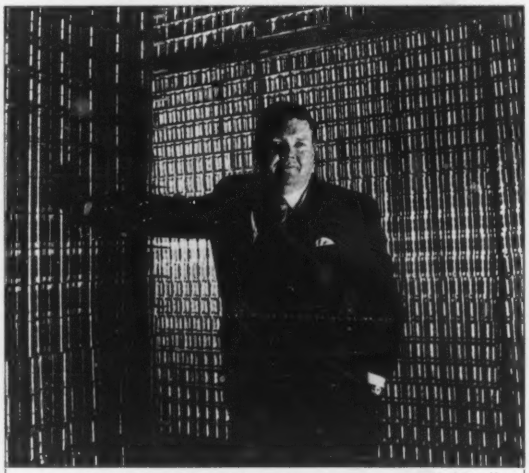
What will it be used for? Much of the new capacity will supply expanding export markets and wastepaper recycling projects. More states and municipal governments are instituting wastepaper recovery programs. Over 32% of the na-

Capping the world

If the economy is in the doldrums, the folks at Crown Cork & Seal Co. haven't heard about it.

In the past year the Philadelphia-based can and bottle cap maker has almost doubled its revenues, to a pro forma $3.8 billion, by purchasing Continental Can's Canadian operations from CCL Industries and its domestic operations from Omaha-based Peter Kiewit Sons'. For $666 million, Crown bought two businesses that were turning out $1.7 billion in sales. Cheap, and with debt still only 35% of capital, Crown is hardly in the hole.

What's the secret to Crown's success? For one thing, it's a company with a Scrooge-like aversion to fanfare and overhead. Crown's general, selling and administrative expenses are only 3% of sales, about half of Continental's overhead margins. The last time Crown paid a cash dividend on its common stock was 1956. But there is another reason: Crown's foreign operations. The company maintains 65 foreign plants. Before the recent acquisitions, sales from overseas represented about 40% of revenues.


Crown Cork & Seal's William Avery

"Being diversified globally is a big advantage," says William Avery, Crown's chairman and chief executive. Currency devaluations may be hurting Crown's profits in Latin America, but European profits are stronger. Says Avery: "If there's a downward trend in the U.S. economy, we can pick up the slack through our operations in the rest of the world."

For Crown, the highest growth area in the 1980s was Europe, where the plastic bottle market is relatively underdeveloped. "We've benefited from the destruction of the Berlin Wall," Avery says. "We were ready to close our operation in Austria, but now it's become a gateway to Eastern Europe and we're going all out."

Crown is looking to buy plants in Eastern Europe. Isn't Avery worried about getting paid? Not really. "In East Germany, a number of breweries are now owned West German breweries. So we have no problem with tha Coca-Cola is also looking to expand in Eastern Europe. In dealing with the Coca-Colas and Pepsi-Colas of the world, you get paid," says Avery.

Ironically, Crown's foreign expansion is now dictated by necessity. After its recent acquisitions, the Federal Trade Commission isn't likely to let Crown Cork & Seal buy any more domestic producers. So Avery will have to turn his gaze overseas. But then, that's what Crown has been doing all along.—P.K.

tion's paper and paperboard output was recovered for recycling in 1989 and an estimated 35% in 1990. By 1995 this should rise to 40%. The paper industry is furiously retooling to make use of this cheap resource.

A weak dollar and competitive technology are helping the paper industry push its products abroad. In dollar terms, total paper and paperboard exports grew 15% while imports grew only 3%. U.S. companies such as International Paper and Stone Container have prospered while foreign firms such as Canada's Abitibi-Price are suffering.

Newsprint turned out to be one of the best segments of the industry. Domestic producers benefited from strikes at several Canadian mills and a higher Canadian dollar. U.S. manufacturers were able to pass along a 5% price increase in 1990.

But wood pulp producers didn't fare as well. They are suffering from overcapacity and tough competition from wastepaper recyclers and have had to absorb a 10% to 25% drop in prices. The depressed home building market drove down lumber prices by about 10%, and producers were squeezed by higher transportation and labor costs. The only relief came from exports, up nearly 8% in dollar terms. This should help players like Weyerhaeuser and Louisiana-Pacific.

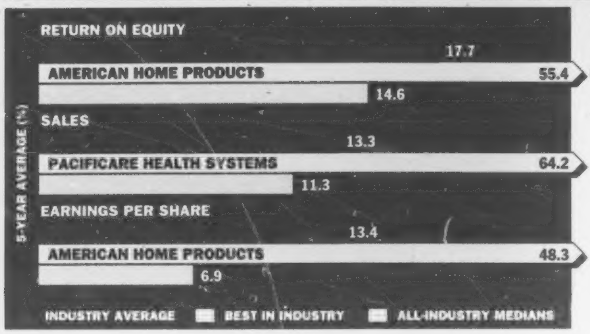
On the packaging front, plastic container makers like Constar International struggled with higher raw material costs and the task of making their products more environmentally benign. Problems with plastics helped beverage can makers. Their margins improved, because aluminum prices fell while the market absorbed a 3% price hike for finished cans. Crown Cork & Seal and Bemis are both benefiting from their extensive foreign operations. But Ball Corp. couldn't get the financing to purchase Peter Kiewit Sons' Continental Can European subsidiary for about $1 billion. ■

Forest products & packaging	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/capital %**	**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Paper & lumber											
WTD Industries	58.7	def	def	76.9	64.4	–8.6	59.8	P-D	389	–26	def
Albany International	25.9	8.2	7.8	48.2	14.2	8.6	43.1	–53.4	537	20	3.7
Federal Paper Board	25.7	20.5	10.2	44.7	14.5	7.3	51.2	–27.6	1,350	153	11.4
PH Glatfelter	25.0	21.8	19.0	0.0	18.1	1.7	15.3	–9.2	610	84	13.8
Willamette Inds	23.2	18.7	12.9	32.7	11.2	3.2	28.4	–5.8	1,921	169	8.8
Pope & Talbot	22.6	16.6	12.0	25.0	15.3	–5.2	56.9a	–21.7	581	33	5.7
Consolidated Papers	21.9	18.7	15.8	0.0	7.2	2.7	14.6	–2.4	957	157	16.4
Georgia-Pacific	19.7	17.2	11.6	61.9	9.9	17.0	49.2	–22.4	12,046	460	3.8
Mead	17.0	9.3	6.9	36.1	13.3	3.0	23.3	–29.3	4,717	157	3.3
Bowater	16.9	10.4	6.1	22.9	12.4	–3.8	12.9	–36.3	1,395	101	7.3
Union Camp	16.8	13.7	8.4	32.1	8.5	1.1	21.6	–24.2	2,800	240	8.6
Potlatch	16.6	16.1	10.2	25.8	4.3	6.7	34.2	0.7	1,278	134	10.5
Chesapeake	15.5	8.1	6.0	48.1	17.6	8.2	25.3	–52.0	848	25	3.0
Westvaco	15.1	12.7	8.2	32.0	5.8	5.5	14.9	–15.9	2,411	188	7.8
Pentair	15.0	10.0	7.9	42.8	16.4	6.1	9.9	–24.8	1,167	31	2.7
International Paper	14.6	14.4	9.8	27.4	22.1	16.0	59.0	–11.7	12,678	743	5.9
Boise Cascade	14.4	6.6	5.4	41.5	2.7	–1.6	39.4	–56.7	4,237	122	2.9
Louisiana-Pacific	13.9	11.4	9.0	23.0	15.8	–0.9	47.3	–12.3	1,934	148	7.6
Champion Intl	12.9	7.7	5.8	35.2	NM	–2.0	34.2a	–37.3	5,105	299	5.9
James River Corp Va	12.6	2.2	3.7	37.2	23.4	–7.5	4.8	–78.2	5,573	75	1.3
Weyerhaeuser	11.2	4.8	4.4	50.6	10.8	–10.3	18.7	–68.7	9,504	206	2.2
Medians	**16.8**	**11.4**	**8.2**	**35.2**	**13.3**	**2.7**	**28.4**	**–24.8**	**1,921**	**148**	**5.9**
Packaging											
Stone Container	28.7	11.2	6.7	68.1	37.2	18.5	57.3	–54.4	5,761	151	2.6
Longview Fibre	23.8	15.7	10.8	36.2	9.2	–1.8	35.3	–19.1	684	60	8.8
Sonoco Products	21.8	9.4	7.7	34.1	19.2	–0.6	20.5	–53.4	1,645	48	2.9
Temple-Inland	17.0	18.0	13.0	25.7	14.0	9.3	23.4	8.6	2,315	229	9.9
Bemis	16.5	18.6	13.7	29.0	7.7	1.5	22.8	13.5	1,094	50	4.6
Constar Intl	15.3	11.2	10.1	24.7	NM	–8.6	16.8	–35.8	506	15	2.9
Crown Cork & Seal	14.9	13.1	12.2	34.8	6.9	43.3	17.0	4.8	2,679	104	3.9
Ball Corp	11.9	10.2	8.2	25.3	1.9	18.6	–8.4	94.0	1,362	47	3.5
St Joe Paper	11.8a	7.3	6.4	3.8	8.3a	NA	7.4a	NA	623	56	9.0
Kerr Glass Mfg	def	def	3.1	61.9	3.1	5.3	NM	D-D	297	–1	def
Gaylord Container	NA	def	2.2	77.3	NA	–3.7	NA	P-D	718	–23	def
Medians	**15.9**	**11.2**	**8.2**	**34.1**	**8.0**	**3.4**	**18.8**	**–27.5**	**1,094**	**50**	**3.5**
Industry medians	**16.6**	**11.2**	**8.2**	**34.5**	**11.2**	**2.7**	**23.3**	**–24.8**	**1,379**	**103**	**4.2**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

HEALTH



These companies have the best return on capital of any industry group.

By Mary Beth Grover

OVER THE LAST 12 MONTHS, the median company in the health sector had a 16% increase in earnings per share. In contrast, the median company in the Forbes Industry survey of 1,150 corporations (excluding biotechnology firms) had a 2.6% decline in earnings. The magic bullets for the health companies are new drugs, an aging population, cost-cutting and consolidations.

Health care companies have bucked the downward trend in the Dow industrials. Through mid-November the health stocks followed by FORBES show an average gain of 0.8%, versus the Dow's 7% loss.

The outlook is particularly bullish for biotechnology com-

Health	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Drugs											
American Home Prods	**55.4**	61.1	33.5	34.1	**5.8**	2.4	**48.3**	13.8	6,802	1,207	17.7
Merck	**44.6**	48.9	39.3	2.7	**14.7**	16.0	**29.5**	20.2	7,333	1,707	23.3
Syntex	**39.6**	53.4	41.6	22.6	**8.8**	14.0	**23.6**	16.1	1,585	363	22.9
Marion Merrell Dow	**35.8**	42.5	36.9	3.6	**30.2**	103.8	**20.7**	88.8	2,169	396	18.3
Abbott Laboratories	**34.4**	34.7	28.7	4.2	**12.3**	12.9	**18.6**	15.7	5,904	939	15.9
Warner-Lambert	**34.1**	41.9	30.4	17.0	**6.3**	8.1	**14.1b**	19.8	4,485	472	10.5
Eli Lilly	**24.8**	26.9	25.0	6.6	**6.2**	20.2	**13.4**	21.6	4,894	1,097	22.4
Schering-Plough	**23.9**	27.9	24.4	7.5	**12.2**	5.7	**20.1**	19.6	3,300	546	16.5
Bristol-Myers Squibb	**20.7b**	19.0	18.1	4.1	**11.7**	10.6	**NM**	–30.8	9,924	970	9.8
Rhône-Poulenc Rorer	**20.5**	def	def	75.4	**24.1**	100.9	**12.3**	P-D	2,218	–117	def
Pfizer	**18.8**	15.9	14.8	3.4	**8.6**	10.3	**6.9**	0.2	6,115	734	12.0
Upjohn	**16.8**	11.0	9.4	10.7	**7.3**	2.1	**5.5**	–42.1	2,958	217	7.3
Cardinal Distribution	**16.6**	11.8	12.5	40.6	**19.6**	24.3	**19.3**	6.6	988	15	1.5
Bergen Brunswig	**15.9**	15.9	15.8	29.1	**16.5**	13.2	**15.2**	–1.5	4,442	63	1.4
Durr-Fillauer	**13.8**	14.7	14.4	2.1	**14.3**	17.3	**12.8**	1.2	791	16	2.1
McKesson	**12.2**	10.7	10.5	19.0	**8.2**	11.1	**5.0**	–10.4	8,165	99	1.2
Bindley Western Inds	**8.1**	9.1	7.6	49.8	**24.2**	28.0	**–10.6**	20.3	1,886	5	0.3
National Intergroup	**def**	def	def	29.1	**NM**	–4.6	**NM**	P-D	2,811	–266	def
Medians	**20.6**	**17.5**	**16.9**	**13.9**	**11.9**	**13.1**	**13.8**	**10.2**	**3,871**	**380**	**10.1**
Health care services											
FHP International	**60.2b**	22.8	20.3	18.7	**41.2**	40.6	**-31.2**	6.9	1,064	30	2.9
PacifiCare Health	**25.3**	36.3	38.0	0.3	**64.2**	50.1	**16.1**	54.2	976	18	1.8
National Health Labs	**20.0b**	23.7	23.8	0.0	**24.2**	29.3	**31.5**	31.7	733	79	16.3
Humana	**19.9**	22.8	15.1	40.3	**15.7**	18.7	**NM**	20.3	4,852	318	6.6
US Healthcare	**17.7**	31.8	32.9	0.0	**34.2**	35.3	**NM**	169.0	1,222	54	4.4
Manor Care	**14.5**	13.4	7.6	58.0	**9.5**	13.8	**NM**	25.4	730	29	3.9
National Medical	**12.9**	20.4	10.1	45.2	**10.7**	0.4	**NM**	55.0	3,834	251	6.6
Lifetime	**6.2**	14.3	11.0	48.8	**NM**	55.8	**NM**	254.8	663	16	2.4
Universal Health	**5.1**	7.4	7.0	48.8	**11.4**	6.4	**–14.0**	48.2	615	12	1.9
United HealthCare	**1.8**	40.0	25.1	5.3	**41.7**	40.0	**NM**	115.4	534	28	5.3

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Sources: FORBES; Value Line Data Base Service via Lotus CD Investment.

panies. After years of heavy losses, research efforts are finally starting to produce tangible—and promising—results. Amgen, the second-largest biotechnology firm, saw its stock (adjusted for a 2-for-1 split) more than double last year. Why? Epogen, its new anti-anemia drug, generated $280 million in sales in its first year and could do twice that in 1991.

According to Jacqueline Siegel, an analyst at Hambrecht & Quist, biotech outfits are on the verge of introducing two new important classes of drugs: one to combat septic shock, a bacterial infection that is the 13th leading cause of death in the U.S.; another to treat low white blood cell counts, which often occur in AIDS and chemotherapy patients.

In fiscal 1990 the government increased Medicare and Medicaid reimbursements by 4% to hospitals and 14% to

Health	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		**Return on capital latest 12 mos %**	**Debt/ capital %**	**Sales**		**Earnings per share**		**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Company	**5-year average %**	**latest 12 mos %**			**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**			
Beverly Enterprises	**def**	2.9	5.8	43.3	**7.5**	0.6	**NM**	D-P	2,098	12	0.6
American Medical	**NA**	def	def	82.7	**8.1**	–7.4	**NA**	D-D	2,546	–82	def
Foundation Health	**NA**	NE	45.3	80.2	**70.8b**	11.5	**NA**	D-P	905	14	1.5
Hillhaven	**NA**	NA	NA	66.5	**11.9a**	10.3	**NA**	NA	1,152	2	0.2
Medians	**14.5**	**20.4**	**15.1**	**44.2**	**13.8**	**16.2**	**NM**	**54.2**	**1,020**	**23**	**2.6**
Medical supplies											
CR Bard	**22.4**	12.9	11.5	17.4	**14.5**	–0.2	**18.0**	–40.2	778	42	5.4
Medtronic	**21.7**	19.4	19.4	1.3	**14.3**	19.9	**20.9**	11.4	932	117	12.6
Hillenbrand Inds	**20.7**	19.0	14.5	18.0	**19.9**	18.3	**19.2**	6.7	1,237	76	6.2
Becton Dickinson	**18.8**	16.7	12.6	32.5	**11.4**	11.1	**27.7**	–13.5	2,013	182	9.1
Bausch & Lomb	**17.7**	17.5	14.1	18.2	**18.0**	12.9	**16.4**	15.7	1,331	127	9.5
Corning	**15.5**	16.2	13.0	21.7	**7.4**	17.2	**25.0**	17.9	2,779	290	10.4
Beckman Instruments	**14.1b**	13.5	11.3	23.5	**9.4**	0.5	**NA**	–15.3	789	37	4.6
Baxter International	**11.6**	def	2.2	35.5	**34.6**	8.6	**35.4**	P-D	7,887	1	0.0
Owens & Minor	**9.6**	7.9	6.3	50.3	**25.5**	36.3	**–7.7**	37.7	1,180	6	0.5
Westmark Intl	**4.9b**	6.6	6.9	0.0	**19.7**	13.9	**NM**	11.0	479	19	3.9
Healthco Intl	**3.4**	def	def	39.9	**10.9**	5.7	**NM**	P-D	456	–26	def
Allergan	**NA**	9.6	9.3	11.3	**27.1**	4.7	**NA**	NA	850	46	5.4
Henley Group	**NA**	def	def	57.3	**NA**	41.0	**NA**	NA	1,901	–210	def
Medians	**15.5**	**12.9**	**11.3**	**21.7**	**16.3**	**12.9**	**18.6**	**6.7**	**1,180**	**42**	**5.4**
Biotechnology											
Diagnostic Products	**24.9**	22.1	23.8	0.0	**27.7**	30.3	**36.2**	14.8	72	17	23.4
Life Technologies	**16.2**	13.2	13.0	3.6	**13.4**	6.9	**15.8**	8.6	145	14	9.5
Applied Biosystems	**15.6**	def	def	5.7	**54.2**	0.3	**31.2**	P-D	159	–2	def
ALZA	**13.3**	11.5	9.4	26.7	**22.9**	29.2	**37.7**	28.8	93	24	25.3
Immucor	**12.7**	11.0	12.1	0.0	**27.9**	26.9	**60.7b**	41.7	13	2	17.8
ICN Biomedicals	**12.3**	19.1	10.9	36.3	**40.0**	124.7	**10.1b**	112.1	120	9	7.7
Molecular Biosystems	**10.5**	3.4	3.8	12.1	**93.4**	–19.3	**79.1b**	–75.5	13	1	8.7
Applied BioScience	**10.2**	15.3	12.6	5.3	**25.3**	63.4	**53.8**	–14.5	88	5	6.2
Collagen	**3.5**	8.2	7.5	20.6	**21.2**	19.5	**29.2**	5.1	56	4	6.7
Amgen	**3.1**	19.4	16.4	4.3	**79.4**	163.4	**NM**	D-P	268	40	14.9
IGI	**2.5**	0.0	1.9	31.9	**–3.1**	10.5	**–48.2b**	P-Z	20	0	def
Synergen	**def**	def	def	9.2	**14.7**	26.9	**NM**	D-D	12	–3	def
Gamma Biologicals	**def**	6.7	7.5	8.7	**4.9**	–4.2	**NM**	D-P	17	1	5.1
Centocor	**def**	0.1	0.7	9.1	**45.6**	15.7	**NM**	0.0	70	0	0.3
Genetics Institute	**def**	def	def	0.5	**30.3**	–28.7	**NM**	D-D	35	–37	def
Enzo Biochem	**def**	def	def	78.1	**26.0**	60.7	**NM**	D-D	19	–4	def
Synbiotics	**def**	def	def	0.4	**63.0**	129.5	**NM**	D-D	10	–3	def
Collaborative Research	**def**	def	def	0.0	**12.5**	–22.1	**NM**	D-D	9	–3	def
Genzyme	**def**	def	def	2.5	**34.0**	40.2	**NM**	D-D	43	–24	def
Genentech	**def**	def	def	15.0	**47.0**	22.8	**NM**	P-D	435	–100	def

Note: Biotechnology companies are excluded from our industry and all-industry medians. D-D: Deficit to deficit. P-Z: Profit to zero. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

HMOS. Between 6% and 8% of what hospitals charged privately insured patients went for Medicaid shortfalls.

Drug company stocks outperformed the market; those surveyed were up 8.4%. Most medical suppliers, aside from CR Bard—whose problematic heart catheter was recalled and remains off the U.S. market—posted earnings increases over the last 12 months. PaineWebber's David Lothson is especially bullish on Medtronic. Its Pacemaker Cardiovertor Defibrillator, which revives stopped hearts and calms rapidly beating ones, could be launched by year-end. ■

Health	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/capital %**	**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Cetus	def	def	def	60.0	-9.9	39.0	NM	D-D	26	-64	def
Calgene	def	def	def	7.7	104.7	23.1	NM	D-D	34	-10	def
Immunex	def	def	def	6.4	69.0	50.6	NM	D-D	32	-8	def
Chiron	def	def	def	51.3	48.2	20.7	NM	D-D	44	-8	def
Immunomedics	def	def	def	8.1	50.3a	102.3	NM	D-D	4	-2	def
Hana Biologics	def	def	def	2.7	22.6	-34.2	NM	P-D	4	-6	def
Cambridge Biotech	NA	def	def	14.5	NA	NA	NA	D-D	24	-13	def
Medians	def	def	def	8.1	29.1	25.0	NM	P-D	34	-2	-17.8
Industry medians	17.7	15.9	13.6	21.7	13.3	13.2	13.4	15.7	1,886	46	4.6
All-industry medians	14.6	12.1	9.2	32.6	11.3	6.6	6.9	-2.6	1,282	49	4.0

Note: Biotechnology companies are excluded from our industry and all-industry medians. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: FORBES; Value Line Data Base Service via Lotus CD Investment.

Making the world a healthier place

Richard Gelb of Bristol-Myers Squibb

Call it a merger of the dynamic duo. Bristol-Myers' combination with Squibb a little over a year ago catapulted the new company into the number two slot on the world's pharmaceutical register, with just above 3% of the worldwide pharmaceutical market. Only Merck, with a 4% share, is bigger.

The linkup joined Squibb's marketing moxie in Europe to Bristol-Myers' strength in Japan and Latin America. The two firms' pharmaceuticals divisions were consolidated into one worldwide operating group. This new division is a $4.4 billion giant with 62 manufacturing and 18 research facilities worldwide.

Says Chairman and Chief Executive Richard Gelb of Bristol-Myers Squibb, "We are well positioned in the global marketplace with therapies for a number of the most critical diseases that are known to mankind."

Bristol-Myers Squibb is now backed by a worldwide pharmaceuticals sales force of over 8,000. The new company got off to a roaring start: 1990 international sales are expected to be 27% higher than they were in 1989.

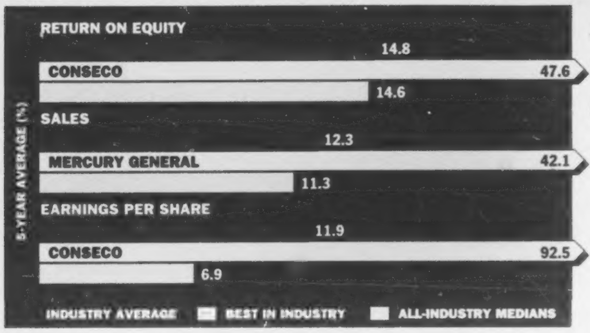
How about the effect of 1992? Drug prices vary by country in Europe and could be pushed lower once trade barriers fall. But Bristol-Myers could more than offset that risk by cutting excess European capacity, saving at least $280 million, figures Mary Ellen McCarthy, an analyst at Shearson Lehman Brothers.

Videx, a promising new AIDS drug, was discovered at the National Cancer Institute and licensed to Bristol-Myers in 1988. It may join Burroughs Wellcome's AZT as an FDA-approved AIDS treatment. The company expects to file a formal application for approval with the FDA early this year.

Bristol-Myers already has an international winner in Capoten, the third-largest-selling pharmaceutical in the world. This cardiovascular drug is one of five prescription medicines with sales in excess of $1 billion. It should remain a big seller at least until 1995, when its U.S. patent protection expires. By then, sales of Pravachol, a new cholesterol-lowering drug with the potential to be a blockbuster, should be well on their way. Pravachol is already on the market in eight foreign countries and it could be approved in the U.S. early this year.

Prudential-Bache analyst Barbara Ryan expects Bristol-Myers' earnings to grow nearly 20% through the mid-1990s, while Merck's should trail in the high teens. Here's to good health.—**M.B.G.**

INSURANCE



Insurers are getting their day in the sun. They would rather be back in the shadows.

By Carolyn T. Geer

THE INSURANCE INDUSTRY caught the spotlight last year after decades of operating in relative obscurity. Once considered important but dull, insurance is now a hot topic at board meetings, congressional hearings and dinner tables.

The talk is of costs, availability of coverage, and insurance company solvency. After the S&L debacle, the travails of First Executive Corp. and the collapse of the junk bond market, the public is wondering: Will insurance be the next casualty?

Well before junk bond and real estate values began to erode, the industry was under pressure. Profits of the property/casualty insurers as a group declined for the third year in a row last year, with insurers paying out an estimated $1.09 for each

Insurance	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Diversified											
Marsh & McLennan Cos	41.7	34.7	25.4	24.0	17.5	11.2	33.6	3.5	2,647	305	11.5
Loews	24.9	18.5	13.8	23.7	16.8	8.5	23.1	–8.9	11,966	879	7.3
American Intl Group	20.5	16.9	14.6	23.2	27.9	9.7	34.0	4.3	15,150	1,408	9.3
General Re	19.6	19.2	17.4	3.6	8.6	8.1	51.2	4.3	2,914	611	21.0
Safeco	19.1	14.3	11.6	14.6	7.9	13.4	22.5	–11.2	2,995	265	8.9
Leucadia National	18.8	35.8	27.0	44.2	30.4	–8.3	10.1	272.1	674	91	13.4
CNA Financial	17.7	8.7	8.6	0.9	19.7	7.5	27.2	–49.7	9,627	357	3.7
Aon	17.6	16.4	12.8	20.7	13.5	9.8	4.2	13.5	2,497	245	9.8
Kemper	17.0	0.9	1.4	11.1	12.5	6.5	35.8	–94.6	2,897	14	0.5
Cincinnati Financial	16.6	12.1	10.7	0.0	14.6	6.9	14.9	5.8	1,028	125	12.2
Reliance Group	16.4	67.4	23.1	53.8	13.7	12.6	NM	D-P	4,136	235	5.7
Alexander & Alexander	15.5	12.8	9.9	29.9	9.7	6.0	10.8b	–19.6	1,312	49	3.7
Zenith National Ins	15.2	10.2	9.8	5.3	26.0	6.5	41.4	–29.9	497	30	6.0
Old Republic Intl	14.8	15.0	13.4	16.7	14.4	7.6	NM	107.6	1,239	104	8.4
Transamerica	13.3	11.0	7.5	67.0	10.8	–2.7	13.5	–0.8	6,585	314	4.8
Uslico	12.6	9.4	7.7	23.7	22.5	13.4	NM	–5.3	462	29	6.3
Aetna Life & Cas	12.4	8.7	8.0	13.3	5.1b	4.4	34.5	–14.1	19,644	601	3.1
American General	11.6	11.3	8.2	44.3	6.2	5.6	2.4	18.1	4,469	540	12.1
Lincoln National	11.4	9.9	9.2	13.5	14.1	11.3	5.1	–1.1	8,477	230	2.7
Sears, Roebuck	10.4	8.2	7.2	43.8	6.8	4.5	NM	13.5	55,590	1,126	2.0
Independent Insurance	9.7	8.7	7.8	6.3	4.5	4.7	NM	–11.8	543	29	5.3
Cigna	9.6	7.2	7.0	12.0	5.9	13.6	–8.2b	–16.4	17,537	395	2.3
Travelers	7.2	def	def	15.5	4.4	–5.0	–19.0	P-D	11,719	–188	def
American Bankers	6.8	13.6	8.3	43.6	11.9	16.1	–5.8	48.2	732	24	3.3
Unitrin	N	6.1	6.1	0.0	NA	NA	NA	NA	1,200	111	9.3
Medians	**15.3**	**11.3**	**9.2**	**16.7**	**13.0**	**7.5**	**10.4**	**–1.0**	**2,914**	**235**	**6.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: FORBES; Value Line Data Base Service via Lotus CD Investment.

$1 of premium written. Premium growth, which had been slowing since 1987, picked up only slightly last year. And claim costs again rose faster than premium prices. Although some specialty carrier rates showed modest price improvements—a benefit for such underwriters as Chubb and American International Group—standard commercial premiums remained under stiff competition. Profitability at established firms like Aetna, Cigna and Travelers Corp. was clobbered.

There's no immediate relief in sight. Explains Thomas Sargent, an insurance analyst with Conning & Co.: "Essentially there are two exogenous factors at work: regulation and substitute products." Populist politicians in California and New Jersey have won votes blaming the insurance companies for greedily raising auto rates (and ignoring the liability crisis that is in large part the cause of the escalation). In commercial lines, many customers are now opting to self-insure and looking for alternative suppliers.

Last May Delaware opened the door to still more competition by allowing bank subsidiaries in the state to sell insurance nationwide. The Federal Reserve Board later ordered Citicorp to stop selling life and health insurance from its Delaware arm, but Citicorp is appealing the decision. The trend toward demolishing barriers in financial services will not be reversed.

Life insurers continued to cope with falling returns and inadequate capital. At the same time, their balance sheets came under closer scrutiny. New York and Arizona regulators moved to limit insurers' investments in junk bonds. Real estate portfolios may well be next. Travelers Corp. set off alarms in October by announcing it was cutting its dividend

Insuring success abroad

Insurance companies in the U.S. have never looked much beyond their own backyards. The U.S. is, after all, the largest insurance market in the world. Indeed, with their hands full at home, many U.S. insurers are scaling back their international business or postponing plans to expand abroad.

Not Chubb Corp. Buoyed by four straight years of record earnings, this primarily property/casualty insurer based in New Jersey plans to provide more products and services to U.S. clients expanding overseas—and attract new foreign customers as well.

"I believe that over the next decade a company like Chubb can make more money in foreign markets than it can in the United States," says Chubb Chairman Dean O'Hare. In 1989 revenues from international operations totaled $438 million—14% of total revenues and 22% of profits. By 2000, O'Hare thinks one-quarter of the premiums it collects will come from abroad.

Will Chubb be a tough competitor for American International Group, which pioneered the foreign market? Not really. AIG's strength overseas is life insurance; Chubb's is property/casualty. Geographically, AIG has a greater presence in Asia; Chubb is better placed in Europe.

Insurance is less regulated abroad than here. Moreover, the U.S. market for insurance is shrinking relative to the world market. Ten years ago America accounted for over half of all premiums sold, versus 37% today. The Far East and Europe hold the promise for growth. In 1988 the insurance market grew 19% in Asia, 9% in Europe and only 2% in the U.S. World average: 8.6%.

Overseas, Chubb is taking the same selective marketing approach it takes here: serving wealthy individuals and companies in specific industries. High-margin specialty products, such as high-value homeowners insurance, executive protection plans and package policies for financial institutions, grew from 45% of Chubb's business ten years ago to around 60% last year.

The company is well positioned in Europe, with licenses or branch offices in 11 EC countries. In Asia, market access has been more difficult, with licenses difficult to obtain or highly restrictive. Chubb's solution, in countries like Malaysia, Thailand and Korea, has been to buy existing companies and put in its own product line.

Then it is full speed ahead. "Once you get your foot in the door," says O'Hare, "it all boils down to delivering customer satisfaction."—C.T.G.

Claudio Edinger/Gamma-Liaison

Dean O'Hare of Chubb Corp.

and adding $650 million to reserves for potential mortgage and real estate losses.

Consumers and government officials are on the march. In the last two years a staggering 24,000 insurance bills were introduced in state legislatures alone. Efforts to weaken insurers' antitrust immunity gained momentum when the House Judiciary Committee advanced a bill in June to repeal important aspects of the McCarran-Ferguson Act. The bill will be taken up again this session. The Senate Antitrust Subcommittee has also been probing the issue recently.

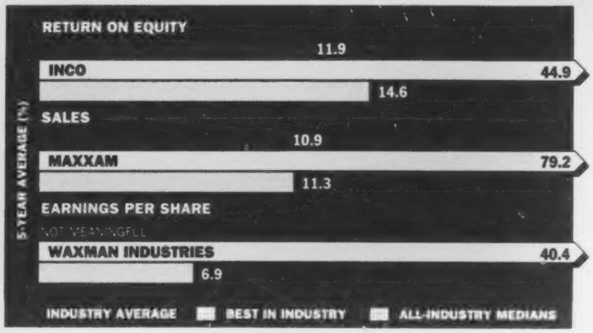
Smelling a challenge to their authority, state insurance commissioners are moving to put more muscle in their mandates. "Over the years, insurance regulators have acted very much in obscurity," says Joseph Belth, an insurance professor at Indiana University. "Today, they're going to be operating in a fishbowl." Between populist politics and regulatory activism at the federal and state levels, the insurance companies will be caught in the middle. ■

Insurance	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		**Return on capital latest 12 mos %**	**Debt/capital %**	**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**			**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Life & health											
Conseco	47.6	24.9	13.7	60.3	NM	20.0	92.5	–40.5	709	37	5.2
First Capital Holding	35.6	12.3	10.7	48.7	NM	13.7	76.9	–47.2	1,039	49	4.7
Torchmark	25.1	28.8	18.4	33.7	7.4	5.3	17.1	19.3	1,739	233	13.4
Capital Holding	20.1	13.0	9.9	18.4	15.3	3.9	19.5	–30.3	2,485	187	7.5
American Family	19.4	15.6	8.5	7.1	27.0	6.1	11.9	33.7	2,552	109	4.3
Kentucky Central Life	12.7	7.6	6.3	31.6	16.3a	11.8	9.8a	–37.8	468	24	5.2
Provident Life & Acc	12.0	15.0	13.1	13.2	14.8	1.9	NM	31.9	2,670	181	6.8
NWNL	11.8	10.5	8.4	25.2	8.9a	–1.9	5.9a	11.8	1,355	52	3.8
UNUM	11.1b	14.9	13.2	0.0	10.5	9.5	NA	38.3	2,054	179	8.7
Liberty Corp	11.1	13.2	10.1	29.5	9.7	3.6	10.4	154.0	354	37	10.6
Jefferson-Pilot	10.3	10.9	9.5	0.0	1.5	1.6	NM	29.2	1,153	156	13.6
USLife	9.0	7.5	6.7	26.3	4.3	2.5	4.4	–8.1	1,219	69	5.7
American Natl Ins	8.6	5.8	5.2	0.0	6.4	2.1	–20.2	–5.7	1,040	93	8.9
Monarch Capital	4.7	def	def	0.0	12.1	–3.7	NM	P-D	430	–100	def
Washington National	0.4	0.8	1.2	5.6	16.6b	2.4	NM	D-P	792	3	0.4
Broad	0.2a	9.0	8.0	51.7	19.2a	37.4	NM	500.0+	847	33	4.0
First Executive	def	def	def	36.7	7.7	–60.1	NM	P-D	872	–736	def
ICH	defb	def	def	63.0	NA	–14.9	NA	D-D	1,905	–220	def
Medians	11.1	10.7	8.4	25.8	9.7	3.0	5.2	3.1	1,097	51	5.2
Property & casualty											
20th Century Inds	32.3	25.5	25.1	1.1	28.1	11.9	44.8	–2.8	773	81	10.5
Geico	30.6	24.3	20.4	18.8	14.3	1.7	12.7	36.6	1,971	234	11.9
Argonaut Group	30.6	17.3	17.1	0.0	–2.9	14.3	15.9	7.7	601	81	13.5
Hartford Steam Boiler	29.1	22.5	19.1	16.8	12.8	15.2	38.2	1.6	543	79	14.5
Progressive	28.0	19.6	10.1	61.2	38.2	–0.3	35.4	–14.5	1,371	83	6.0
WR Berkley	22.8	13.0	11.5	21.8	29.1	2.3	39.7a	–22.2	555	43	7.7
Mercury General	22.3	31.1	28.3	9.9	42.1	4.9	24.2	220.5	532	55	10.3
Selective Insurance	21.3	14.1	13.6	5.7	13.9	2.9	15.3b	–14.3	528	33	6.3
Hanover Insurance	18.6	6.3	6.3	0.0	18.6	6.7	47.7	–50.4	1,710	47	2.7
St Paul Cos	18.2	18.1	16.9	14.2	10.0	2.7	38.2a	22.8	3,903	424	10.9
Chubb	18.0	16.8	14.3	17.8	15.6	1.3	36.2	16.7	4,177	474	11.4
Ohio Casualty	16.1	10.4	9.3	0.0	9.4	4.4	30.6	–39.7	1,604	76	4.7
First American Finl	15.9	6.4	4.8	20.3	16.8	3.5	NM	7.3	722	10	1.4
Berkshire Hathaway	14.4	7.7	7.3	16.7	29.7	–8.2	15.5	–17.0	2,283	380	16.6
ITT	11.0	13.7	10.2	40.2	NM	0.4	25.3	43.5	20,245	1,131	5.6
USF&G	10.6	6.7	6.6	16.7	10.0	1.1	–32.5b	142.9	4,699	143	3.1
Xerox	10.1	2.2	5.3	45.9	9.7	3.3	13.3	–62.4	17,940	220	1.2
Orion Capital	8.5	15.0	10.8	43.4	17.4	0.5	NM	–7.7	819	29	3.6
Fremont General	7.7	17.5	12.6	34.5	NM	31.2	NM	314.0	590	29	4.9
Foremost Corp of Amer	6.9	def	def	32.4	NM	–4.5	NM	P-D	433	–8	def
Continental Corp	6.8	6.8	6.6	26.1	5.1	–5.6	NM	D-P	5,751	159	2.8
Alleghany	NA	11.0	9.0	33.8	39.9	32.8	NA	27.2	1,360	67	5.0
Medians	18.0	13.9	10.5	18.3	14.1	2.8	15.9	4.5	1,366	80	5.8
Industry medians	14.8	12.1	9.5	18.8	12.5	4.8	11.9	0.4	1,371	91	5.7
All-industry medians	14.6	12.1	9.2	32.6	11.3	6.6	6.9	–2.6	1,282	49	4.0

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

MATERIALS



These companies are hoping to weather this economic slowdown better than they did the last one.

By Vicki Contavespi

As THE ECONOMY SPUTTERS, the steel industry is better positioned than it was ten years ago to survive a recession. Overcapacity has been trimmed, and more than $20 billion has been spent over the last decade to modernize U.S. steel mills. As a result, the average cost to make a ton of steel is now $415, versus $600 in 1982, according to John Jacobson of AUS Consultants. Adjust those prices for inflation, and the reduction is even sharper.

Ten years ago there was concern that U.S. steel producers couldn't compete with Japan. The industry has responded on two fronts: by becoming more efficient and by entering into joint ventures with the Japanese. Armco has a 50% interest in

Materials	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Steel											
Allegheny Ludlum	**63.7b**	27.9	21.3	12.9	**11.8**	–15.7	**NA**	–28.2	1,062	91	8.6
Birmingham Steel	**33.3a**	9.5	7.6	13.8	**44.3b**	–1.1	**57.7b**	–59.6	440	14	3.1
Worthington Inds	**21.1**	16.2	13.5	9.8	**10.9**	–7.2	**16.3**	–12.3	921	54	5.9
Valmont Industries	**17.4**	18.0	13.4	31.1	**27.1**	11.9	**102.0b**	–6.2	854	19	2.2
Lukens	**17.3**	22.1	17.4	7.0	**10.5**	5.6	**59.5b**	29.8	681	49	7.2
Nucor	**16.1**	11.9	8.9	6.0	**13.4**	16.5	**9.7**	–30.4	1,431	70	4.9
Central Steel & Wire	**14.9**	10.5	10.6	0.0	**3.4**	–10.6	**14.8**	–30.2	535	16	3.0
AM Castle & Co	**14.0**	8.3	7.2	47.9	**11.2**	–7.3	**14.4**	–38.1	477	6	1.2
Quanex	**12.2**	15.4	10.0	26.9	**7.6**	27.7	**NM**	–22.7	620	25	4.1
Bethlehem Steel	**11.3**	4.5	5.2	22.8	**NM**	–10.9	**NM**	–66.6	4,844	103	2.1
Inland Steel Inds	**8.6**	1.5	2.4	27.6	**6.2**	–7.4	**101.5b**	–85.9	3,917	43	1.1
USX	**7.5**	14.4	9.0	45.5	**NM**	5.3	**NM**	–5.0	18,126	795	4.4
Armco	**7.0**	def	def	28.0	**–9.5**	–38.8	**NM**	P-D	1,737	–61	def
Acme Steel	**6.7**	3.3	3.3	27.8	**12.2**	4.1	**NM**	–73.2	454	5	1.1
Carpenter Technology	**6.5**	13.9	9.5	22.4	**2.4**	–8.0	**NM**	50.0	576	44	7.6
Weirton Steel	**3.3**	6.1	4.3	51.5	**5.1**	–10.3	**NM**	17.9	1,214	21	1.8
Texas Industries	**2.9**	6.1	7.4	43.0	**16.6**	–4.1	**–38.0**	D-P	662	19	2.9
National-Standard	**def**	def	def	33.5	**2.9**	–7.9	**NM**	D-D	280	–14	def
Wheeling-Pittsburgh	**def**	NE	17.9	66.0	**5.8**	–6.1	**NM**	–40.0	1,091	92	8.5
Lone Star Tech	**def**	def	def	56.6	**11.9**	–8.8	**NM**	D-D	616	–100	def
LTV	**def**	NE	def	NE	**–2.3**	–5.4	**NM**	–50.8	6,104	163	2.7
Cyclops Industries	**NA**	def	6.2	56.1	**19.0**	–11.3	**NA**	P-D	1,218	–2	def
Medians	**8.6**	**7.2**	**7.5**	**27.7**	**9.0**	**–7.3**	**NM**	**–34.3**	**888**	**23**	**2.8**
Nonferrous metals											
Inco	**44.9**	34.3	20.0	29.8	**23.9**	–20.4	**NM**	–36.2	3,189	471	14.8
Maxxam	**35.6**	68.7	17.6	69.1	**79.2**	12.1	**NM**	134.9	2,410	163	6.8
AMAX	**20.8**	10.9	10.0	29.0	**17.8**	–6.7	**NM**	–63.0	3,720	224	6.0
Phelps Dodge	**18.9**	15.8	12.8	19.0	**29.2**	–5.6	**NM**	–61.6	2,615	211	8.1
Reynolds Metals	**18.9**	15.5	11.4	28.7	**12.5**	–1.4	**70.6b**	–26.3	5,982	415	6.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

a venture with Kawasaki in Ohio; Inland is working with Nippon Steel in Illinois and Indiana; and USX is in partnership with Kobe Steel in Lorain, Ohio.

But competition from substitute materials like aluminum and plastic promises to increase. General Motors, for example, is using more aluminum in engine castings, transmissions and other parts. U.S. cars now have about 160 pounds of aluminum. By the year 2000 this amount may more than double.

The outlook for copper may finally be improving this year. Throughout the 1980s the U.S. copper industry stagnated, smothered by overcapacity, huge inventories and antiquated machinery. It didn't help that Third World countries like Zambia and Chile had expanded production and were dump-

Champagne and copper do mix

Looking for ways to reinvigorate Magma Copper Co., in 1988 new Chief Executive J. Burgess Winter (FORBES, *Dec. 10, 1990*) started listening to John Champagne, his vice president of marketing and sales. Champagne suggested a fairly radical plan—selling refined copper to the Far East instead of cheaper copper concentrate that had to be further processed abroad.

It turned out to be a great idea. Magma (1990 sales, $900 million) expects revenues in excess of $300 million from its Pacific Rim business in 1991, up from nothing only two years ago. Magma, considered "the pioneer in the market" by people like Dean Witter analyst Ernest Nutter, is so sure of this foreign business that it gave up its annual $100 million (sales) contract with General Motors in 1989. The GM contract accounted for 22% of its copper mine production, but Magma didn't like the pricing terms. "We knew we could do better offshore," says Champagne.

This year at least 30% of Magma's production will go to the Far East; next year the company projects an increase to 40%. The new strategy is helping Magma surmount a geographic disadvantage. While the company's facilities are all in Arizona, most of its customers are in the Northeast and industrial Midwest—areas that are served more economically by close-by Canadian producers. Looking west to the Pacific Rim makes sense: It costs less for Magma to ship copper to Japan than to the East Coast.

Moreover, Magma can ship copper from Arizona to Long Beach, Calif. and on, say, to Osaka in two to three weeks; it takes Chilean producers six to eight weeks to supply Osaka. And it takes landlocked Zambia, Japan's largest supplier, about three months. Magma's shorter delivery schedule to Japan fits nicely with that country's just-in-time inventory style of management.

Foreign exchange rates also make Magma's copper an attractive buy to the Japanese. Copper's price has doubled, from 60 cents to $1.20 a pound, since 1985. But over the same period, the dollar's value has dropped about 50% against the yen, so in yen, copper's price is about the same in 1990 as it was five years ago. True, copper is priced in dollars worldwide. But Magma has additional virtues to trumpet. John Champagne says he points out to the Japanese that "we are stable, reliable and we're not a Third World country." The Japanese Wire & Cable Makers Association has petitioned the Japanese government to eliminate the duty on refined copper coming from the U.S.

The Japanese expect to get 35% of their refined copper via imports this year, and Magma expects to be supplying 10% to 15%.—V.C.

Reed Rahn

Magma Copper's John Champagne

ing on world markets.

But here, too, companies have addressed the challenges. The large inventory of copper has finally been brought under control. Copper now sells for $1.13 a pound, versus 58 cents at its low in late 1984. Demand from the Far East for U.S. copper is growing. Meanwhile, domestic copper producers, such as Phelps Dodge, Cyprus Minerals and Asarco, are investing in extraction methods that dissolve the metal from low-grade copper waste or oxide ore deposits. This method is roughly half as expensive as the conventional copper smelting process, and is kinder to the environment.

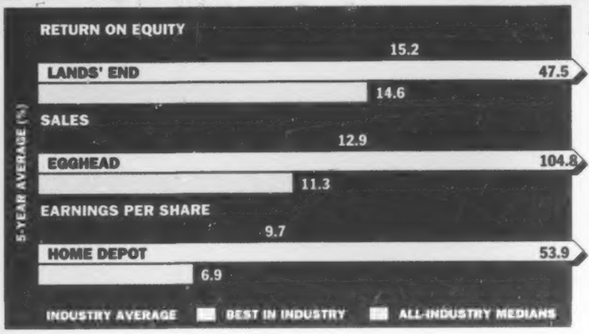
Both gypsum and cement are having short-term problems, since demand for these materials is closely matched to construction activity. In October 1990 National Gypsum filed for Chapter 11. In December Lone Star cement followed suit. Don't forget that there is huge leverage in these businesses. Gypsum and cement producers could experience a healthy rebound once the economy recovers. ■

Materials	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/ capital %**	**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Alcan Aluminium	**16.1**	10.3	7.7	18.6	**11.3**	–4.1	**64.8b**	–48.8	8,603	488	5.7
Asarco	**15.9**	14.2	11.8	21.0	**13.4**	–3.9	**NM**	–15.5	2,190	205	9.3
Alcoa	**15.0**	11.6	11.5	14.6	**10.5**	–1.5	**66.2b**	–38.8	10,697	600	5.6
Cyprus Minerals	**11.4**	10.2	9.8	14.0	**22.8**	3.4	**147.8b**	–54.6	1,825	137	7.5
Magma Copper	**11.2b**	19.5	12.2	42.9	**20.9**	20.0	**NM**	17.2	779	67	8.6
Newmont Mining	**4.9**	NE	50.8	96.1	**–5.7**	12.5	**NM**	206.4	667	421	63.1
Handy & Harman	**4.7**	6.6	6.1	44.7	**2.3**	–13.7	**NM**	–22.5	575	8	1.3
Engelhard	**3.2**	def	def	15.1	**NM**	17.8	**NM**	P-D	2,911	–97	def
Tredegar Industries	**NA**	0.0	0.9	31.1	**3.5**	–9.5	**NA**	NA	580	0	0.0
Medians	**15.9**	**11.2**	**11.5**	**28.9**	**13.0**	**–2.7**	**NM**	**–36.2**	**2,513**	**208**	**6.9**
Cement & gypsum											
Florida Rock Inds	**20.1**	12.8	9.9	20.7	**12.7**	–7.3	**4.0**	–15.9	404	20	5.1
USG	**17.4**	NE	17.6	211.7	**NM**	–3.8	**–23.7**	–92.3	2,124	5	0.3
Southdown	**16.5**	13.5	9.3	28.7	**15.3**	–9.5	**NM**	31.1	567	52	9.2
CalMat	**15.5**	21.2	16.2	9.9	**15.0**	–27.7	**33.4**	92.7	471	112	23.7
Lafarge	**13.4**	7.8	6.2	35.3	**10.9**	11.6	**63.7a**	–38.2	1,602	64	4.0
Holnam	**10.4**	def	2.8	41.4	**20.5**	–0.3	**NM**	P-D	1,044	–19	def
Lone Star Industries	**def**	def	def	48.1	**–20.8**	–21.6	**NM**	P-D	273	–275	def
Medians	**15.5**	**7.8**	**9.3**	**35.3**	**12.7**	**–7.3**	**–23.7**	**–38.2**	**567**	**20**	**4.0**
Other materials											
Waxman Inds	**33.2**	18.2	9.3	85.1	**36.1**	44.0	**40.4**	–25.0	443	6	1.4
Tyco Laboratories	**24.2**	23.0	15.9	29.8	**27.1**	13.7	**22.8**	25.4	2,331	126	5.4
Vulcan Materials	**21.2**	18.3	15.6	5.8	**1.9**	0.6	**17.9**	–7.5	1,092	120	11.0
Armstrong World Inds	**17.8**	15.6	12.4	12.2	**12.0**	–2.1	**16.7**	16.0	2,548	184	7.2
Masco	**17.4**	9.8	7.9	40.6	**26.5**	8.2	**9.9**	–32.8	3,224	180	5.6
Ply Gem Industries	**12.6**	5.8	6.2	57.3	**27.7**	19.5	**NM**	–41.0	556	6	1.1
Morgan Products Ltd	**11.9**	def	def	32.4	**9.4**	–3.6	**NM**	P-D	421	–4	def
Ameron	**10.1**	9.6	7.4	41.8	**8.9**	7.3	**9.8**	4.0	442	13	2.9
Hughes Supply	**9.7**	4.8	4.9	50.4	**14.1**	7.0	**4.2**	–47.5	561	4	0.8
Harsco	**7.9**	12.4	10.7	21.5	**3.2**	15.9	**–20.3**	D-P	1,579	49	3.1
Noland	**6.5**	5.0	5.1	29.6	**6.2**	–3.7	**–4.3**	40.4	442	5	1.1
Owens-Corning	**1.2**	NE	30.6	137.6	**–2.1**	13.4	**NM**	–16.5	3,213	153	4.8
Nortek	**0.1**	def	0.7	52.3	**20.3**	–4.9	**NM**	D-D	1,069	–26	def
Grow Group	**def**	def	2.9	53.7	**10.0**	0.3	**NM**	P-D	414	–2	def
HH Robertson	**def**	def	1.7	38.5	**–5.3**	3.1	**NM**	D-D	528	–2	def
Dravo	**def**	13.0	12.3	25.8	**–25.1**	5.1	**NM**	D-P	293	17	5.6
Eljer Industries	**NA**	6.1	5.1	47.3	**8.8**	2.9	**NA**	–44.3	447	6	1.2
Manville	**NA**	17.6	11.3	41.1	**3.8**	3.7	**19.5b**	27.3	2,224	155	7.0
Medians	**9.9**	**7.8**	**7.6**	**40.9**	**9.1**	**4.4**	**–4.3**	**–20.8**	**559**	**10**	**2.2**
Industry medians	**11.9**	**9.6**	**9.0**	**29.8**	**10.9**	**–2.1**	**NM**	**–31.6**	**1,044**	**43**	**3.1**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

RETAILING



So many stores. So little spending.

By Steve Weiner

Blame Saddam Hussein for the retail recession of 1990. "Telephone orders to our catalog declined in a range of 12% to 15% [below year-earlier figures] week after week, after the trouble began in the Middle East," says Robert Gill, vice chairman of J.C. Penney Co. To Woolworth Corp., the invasion of Kuwait "was like a curtain coming down," agrees Harold Sells, chairman and chief executive officer. The University of Michigan's consumer confidence index plunged more sharply in the third quarter than in any previous three-month period.

Retailing	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Department stores											
Dillard Dept Stores	**18.2**	16.3	11.2	38.8	**18.5**	22.9	**18.2**	27.6	3,485	176	5.1
May Dept Stores	**17.7**	19.3	11.8	45.1	**2.9**	–3.8	**13.0**	15.7	10,020	531	5.3
JC Penney	**16.7**	15.6	10.4	28.8	**3.5**	4.4	**20.4**	–11.7	16,368	738	4.5
Mercantile Stores	**15.6**	12.[illegible]	11.5	15.0	**6.3**	2.2	**10.0**	–[illegible].7	2,355	132	5.6
Strawbridge	**14.8**	12.5	8.8	45.6	**8.9**	6.7	**7.1**	5.4	983	30	3.0
Sears, Roebuck	**10.4**	8.2	7.2	43.8	**6.8**	4.5	**NM**	13.5	55,590	1,126	2.0
Equitable of Iowa	**10.0**	8.4	7.6	6.9	**9.5**	13.3	**11.7**	2.9	639	23	3.6
Alexander's	**7.8**	def	def	31.1	**–1.5**	–0.6	**24.2**	P-D	460	–4	def
Carter Hawley Hale	**NA**	NE	6.9	111.3	**NM**	2.5	**NM**	P-D	2,858	–9	def
Neiman Marcus Group	**NA**	1.5	8.4	45.9	**13.9**	15.1	**NA**	300.0	1,689	28	1.7
Medians	**15.2**	**10.3**	**8.6**	**41.3**	**6.5**	**4.5**	**11.7**	**4.1**	**2,607**	**81**	**3.3**
Apparel											
Limited	**35.4**	30.3	21.7	32.2	**25.4**	15.2	**26.5**	20.1	5,092	379	7.5
Gap	**32.8**	35.9	34.6	1.2	**24.4**	26.6	**44.8**	27.8	1,854	122	6.6
Merry-Go-Round	**25.9**	33.3	27.8	15.4	**24.1**	47.6	**16.3**	83.6	592	35	5.8
Melville	**22.9**	19.5	19.2	2.1	**11.6**	10.7	**15.8**	6.7	8,109	388	4.8
Charming Shoppes	**22.8**	13.7	12.0	9.4	**22.3**	10.7	**10.5**	–15.3	872	36	4.2
Genesco	**20.8**	5.8	6.1	26.4	**–4.6**	0.9	**NM**	–62.5	485	7	1.5
Nordstrom	**20.2**	13.8	10.4	34.9	**21.8**	10.5	**23.8**	–22.5	2,849	101	3.5
Edison Bros Stores	**15.4**	26.6	22.2	2.8	**5.8**	16.2	**17.7**	31.4	1,152	65	5.6
Burlington Coat	**14.7**	11.7	10.4	30.2	**17.5**	20.4	**8.4**	7.1	818	24	3.0
Petrie Stores	**9.0**	3.7	3.7	14.9	**4.6**	3.0	**–16.3**	–23.9	1,293	24	1.9
Brown Group	**8.8**	10.2	8.6	27.4	**4.4**	2.7	**–14.5**	245.6	1,830	34	1.9
Hartmarx	**8.6**	def	def	38.2	**3.3**	3.8	**–11.8**	P-D	1,307	–53	def
US Shoe	**7.0**	11.1	9.2	21.3	**7.9**	13.2	**–13.3**	126.7	2,743	61	2.2
TJX Cos	**NA**	31.8	15.2	49.0	**18.4**	10.3	**22.0**	–8.8	2,268	73	3.2
Medians	**20.2**	**13.8**	**11.2**	**23.9**	**14.6**	**10.7**	**13.1**	**6.9**	**1,569**	**49**	**3.4**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

But the retailers' problems run deeper than the Middle East. "There's simply too much retail space," complains Woolworth's Sells. Carl Steidtmann, chief economist at Management Horizons, the retail consulting arm of Price Waterhouse, figures nationwide retailing profits fell 5% or more in 1990—the fourth down year in a row for the industry. "Stores aren't giving customers what they want," he says. "They have reduced inventories, and that reduces choice."

Last year's casualties included Toronto-based Campeau Corp.'s jewels, Federated Department Stores and Allied Stores Corp.; they went into Chapter 11 last January. In April discounter Ames Department Stores filed for Chapter 11 and closed more than 200 stores. Saks Fifth Avenue and Marshall Field's changed hands. Sears, Roebuck's retailing operations

Starting with a head start

"Others will have to ride out the U.S. downturn, but we can soften it by our presence in foreign markets," says Harold Sells, 61, Woolworth Corp. chairman and chief executive officer.

Woolworth's hottest market? Germany. "We've never seen a boom period like we're seeing there now," says Sells, who has been top executive of the $9.5 billion (sales), 8,600-store, New York-based chain store operator for the last four years. Same-store German sales rose 30% in the four months after East Germans received real deutsche marks in July. Revenues at the company's 24 stores in Berlin climbed better than 60% in the same period. In 1989 German operating profits were $80 million, equal to about 12% of Woolworth's total. The contribution from Germany should climb to the high teens in fiscal 1990 (which ends this month).

Unlike most retailers, Woolworth is used to running foreign stores. The company opened its first foreign store in Toronto in 1897, its first British unit in 1909 and its first German outlet in 1926. The foreign operations have constituted 25% of the company's store total for 20 years. Woolworth now has more than 2,500 stores in Europe, Canada and Australia, most of them shoe stores. Foreign operations account for better than 40% of Woolworth's operating earnings on a like percentage of sales.

How does Woolworth do it? It uses local managers who develop country-specific strategies rather than relying on a companywide master plan. In the U.S., for example, Woolworth has successfully expanded its specialty apparel and shoe stores (Kinney, Foot Locker) while its traditional five-and-dime general stores have been sharply pruned. The company sold its majority stake in its struggling U.K. dime stores in 1982.

But in Germany, where store hours and mall expansion are sharply limited, its general stores are three times as profitable as those in the U.S. So Woolworth has more than 290 of them there (of a total 445 units of all kinds). Even so, these aren't true dime stores; they stock higher-quality goods and far more apparel than do their U.S. counterparts.

Woolworth's specialty operations are also slated for overseas expansion. One plan: Saturate Europe with 1,000 Foot Locker athletic shoe stores by the year 2000—up from 16 today. "We're moving as fast as we can in England, France and Italy," says Sells. There's nothing like a good head start to help win a race.—**S.W.**

Alan Levenson

Harold Sells of Woolworth

took $120 million in losses in the first three quarters, and Sears, like most other big retailers, began its post-holiday clearance sales weeks early, before Christmas.

The forecast for the coming year is no better. "The first quarter frightens me," says Kenneth Macke, chairman and chief executive officer of Dayton Hudson Corp. Says economist Steidtmann: "There's nothing out there to turn it around." Among potential shakeout candidates: Carter Hawley Hale Stores, which sold its Thalhimers division to cut debt, and privately owned R.H. Macy, where same-store sales fell 14% in October.

Who's doing well? Among a handful of others, the Gap and the Contempo Casuals division of Neiman Marcus Group. The Gap's latest 12-month profits were up 28%, and the chain continues to expand at a rapid pace. Like their successful counterparts, both the Gap and Contempo keep assortments fresh and focus on customers likely to make repeat purchases. The four-year-old GapKids chain has also been a great success.

Among full-line retailers, Dillard Department Stores re-

Retailing

	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital latest 12 mos %	Debt/capital %	Sales		Earnings per share				
Company	5-year average %	latest 12 mos %			5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Drug & discount											
Wal-Mart Stores	**36.0**	29.7	23.7	28.2	**32.5**	25.0	**33.3**	27.6	28,814	1,185	4.1
Pic 'N' Save	**25.1**	7.2	6.4	2.3	**14.9**	15.9	**NM**	–62.7	511	16	3.1
Drug Emporium	**21.0**	14.9	8.7	50.0	**42.7**	22.3	**59.8b**	–8.7	546	8	1.5
Walgreen	**20.8**	21.2	16.9	12.2	**14.8**	12.4	**11.8**	13.2	6,047	175	2.9
Rite Aid	**19.8**	14.8	9.9	42.3	**19.0**	8.9	**11.2**	6.8	3,306	104	3.2
Family Dollar Stores	**18.2**	16.1	15.0	0.0	**17.3**	15.5	**NM**	33.3	874	29	3.3
Longs Drug Stores	**17.6**	17.0	16.0	0.0	**9.0**	9.8	**12.1**	4.1	2,257	61	2.7
Consolidated Stores	**17.5**	def	def	42.1	**61.3**	2.5	**NM**	P-D	643	–9	def
Dayton Hudson	**17.0**	19.4	12.3	58.0	**11.4**	8.3	**10.8**	28.8	14,359	425	3.0
Ross Stores	**14.4**	20.5	15.7	31.3	**25.5**	10.2	**NM**	–23.8	785	22	2.8
Fay's	**14.2**	15.8	11.3	37.7	**8.5**	14.5	**18.8**	–8.9	644	11	1.7
Hills Dept Stores	**13.3a**	def	7.4	98.0	**7.0**	16.9	**NM**	D-D	2,157	0	0.0
Kmart	**13.2**	6.7	6.7	37.2	**6.9**	13.7	**NM**	–54.5	32,334	334	1.0
Genovese Drug Stores	**12.6**	9.5	7.1	45.3	**13.9**	6.7	**NM**	–28.3	429	3	0.8
Fred Meyer	**10.4**	def	0.9	46.3	**9.5**	14.0	**NM**	P-D	2,442	–5	def
Big B	**9.9**	def	0.2	48.6	**21.0**	25.0	**NM**	P-D	460	–3	def
Dollar General	**9.1**	10.8	10.4	31.9	**4.1**	4.9	**–10.2**	16.4	643	13	2.0
Rose's Stores	**8.7**	3.4	4.6	23.3	**10.8**	5.0	**–14.9**	–14.6	1,539	7	0.5
Medco Containment	**8.6**	3.1	3.8	24.8	**82.6**	34.8	**54.1a**	–44.1	1,078	9	0.9
Jamesway	**8.0**	def	2.2	46.9	**12.9**	9.7	**–12.7**	P-D	937	–1	def
Wholesale Club	**0.3**	18.9	13.9	24.4	**67.9**	38.7	**NM**	58.1	667	6	1.0
Perry Drug Stores	**def**	11.3	8.0	63.2	**11.4**	–2.4	**NM**	500.0+	659	6	0.9
Ames Dept Stores	**def**	def	def	127.3	**39.0**	–9.4	**NM**	D-D	4,210	–776	def
Medians	**13.3**	**10.8**	**8.0**	**37.7**	**14.8**	**12.4**	**NM**	**–14.6**	**937**	**9**	**1.0**
Specialty											
Lands' End	**47.5**	14.2	13.8	2.9	**26.0**	8.2	**30.7a**	–42.3	576	16	2.8
Sotheby's Holdings	**46.7**	46.0	52.4	0.1	**31.2**	19.7	**88.9b**	53.4	465	128	27.7
Jostens	**39.3**	25.2	21.1	16.9	**7.3**	10.5	**18.1**	8.6	799	60	7.6
Intelligent Electron	**31.0**	27.6	21.7	21.3	**NM**	189.7	**122.2b**	115.6	1,352	25	1.8
Circuit City Stores	**30.9**	22.6	18.8	19.4	**32.9**	20.7	**33.0**	13.5	2,265	82	3.6
Blair	**30.1**	32.0	32.0	0.0	**7.6**	10.1	**12.7**	22.2	470	36	7.6
Blockbuster	**28.8**	27.6	21.6	34.4	**NM**	79.3	**NM**	70.2	584	63	10.8
Price Co	**27.1**	23.0	17.4	23.7	**32.4**	7.9	**27.7**	7.4	5,286	125	2.4
Home Depot	**25.0**	27.5	20.0	44.8	**44.0**	37.0	**53.9**	45.4	3,521	152	4.3
Spiegel	**24.2**	18.1	10.5	62.5	**18.1**	19.4	**37.1**	10.8	1,892	75	4.0
Toys 'R' Us	**21.8**	18.8	16.9	9.2	**24.0**	21.6	**25.2**	19.1	5,290	330	6.2
Tandy	**20.3**	16.4	14.6	12.0	**9.3**	8.8	**9.4**	–4.7	4,604	280	6.1
Sherwin-Williams	**19.0**	18.0	15.0	11.6	**NM**	6.4	**11.7**	11.6	2,228	121	5.5
Woolworth	**17.3**	16.7	14.7	11.2	**9.4**	11.1	**17.9**	15.6	9,520	343	3.6
Best Buy Co	**17.1**	9.0	8.1	34.9	**60.3**	20.7	**NM**	500.0+	604	6	1.0
QVC Network	**17.0b**	def	0.5	63.9	**NA**	500.0+	**NA**	P-D	666	–6	def
InterTAN	**15.6b**	11.1	10.4	14.3	**13.3**	7.6	**NA**	–40.2	700	23	3.3
Pep Boys	**15.3**	12.6	9.1	40.0	**18.2**	20.7	**12.0**	4.4	868	40	4.6
Businessland	**14.7**	def	def	37.6	**61.9**	9.2	**NM**	P-D	1,347	–48	def
Hechinger	**13.8**	8.4	6.8	28.1	**25.8**	19.7	**8.0**	–6.1	1,394	33	2.3
MicroAge	**13.7**	22.4	20.8	12.6	**44.0**	71.0	**NM**	52.1	622	6	1.0
Inacomp Computer	**13.2**	15.2	13.9	51.8	**36.2**	42.3	**37.4**	9.2	500	7	1.4
Service Merchandise	**12.8**	NE	11.9	104.2	**12.5**	7.3	**NM**	–34.3	3,435	53	1.5
Town & Country	**12.5**	7.3	7.2	68.4	**47.8**	17.7	**NM**	125.0	416	6	1.5
Lowe's Cos	**12.5**	12.7	11.1	18.5	**8.7**	10.6	**3.4**	12.8	2,841	82	2.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

mained a standout because of tight cost controls and astute pricing.

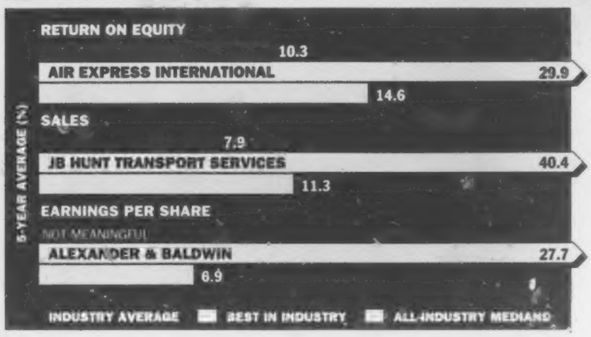
The promotional, price-cutting environment in retailing intensified last year in the restaurant industry as well. The off-price binge was led by Domino's and Little Caesar International (both privately owned pizzamakers), and PepsiCo's Taco Bell and Pizza Hut units. At McDonald's, where analysts figure domestic comparable-store sales slumped 4% last year, marketers said they would eliminate foam containers—a big environmental issue—and try low-fat beef. ■

Retailing	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Costco Wholesale	**10.3**	17.9	14.7	22.3	**67.5**	37.8	**97.2b**	44.3	4,133	49	1.2
Highland Superstores	**9.5**	def	def	41.7	**20.6**	–0.5	**NM**	D-D	911	–10	def
Home Shopping	**7.3b**	22.4	11.9	54.5	**64.1b**	30.2	**NM**	D-P	1,008	32	3.2
Dart Group	**5.3**	4.2	6.8	33.7	**68.3**	18.3	**13.4**	–41.8	996	12	1.2
Child World	**5.1**	0.1	0.7	9.4	**14.6**	1.4	**NM**	–98.8	843	0	0.0
General Host	**4.5**	2.5	5.9	50.0	**–5.0**	5.4	**NM**	D-P	507	4	0.8
Lionel	**4.2**	def	0.8	47.2	**7.9**	3.5	**–41.3**	P-D	436	–3	def
Grossman's	**3.1**	5.8	8.2	30.8	**–4.7**	–29.8	**NM**	–59.4	811	7	0.9
Intermark	**def**	def	def	68.2	**13.8**	43.4	**NM**	D-D	1,067	–39	def
Egghead	**def**	5.7	5.6	0.0	**104.8**	20.8	**NM**	D-P	495	6	1.1
Horn & Hardart	**def**	def	def	78.9	**8.8**	20.6	**NM**	D-D	633	–15	def
Waban	**NA**	8.2	7.8	9.5	**47.1**	19.4	**NA**	NA	2,240	22	1.0
Medians	**15.0**	**12.7**	**11.1**	**28.1**	**19.4**	**19.4**	**8.7**	**10.0**	**911**	**25**	**1.8**
Supermarkets & convenience											
Arden Group	**33.0**	27.7	17.5	36.1	**–4.9**	–2.6	**34.2**	7.3	336	12	3.7
Food Lion	**32.0**	30.5	23.1	25.3	**26.3**	19.7	**30.5**	27.5	5,325	165	3.1
Giant Food	**24.8**	23.0	16.4	29.9	**9.0**	6.9	**20.1**	8.0	3,325	114	3.4
Albertson's	**22.7**	23.8	19.6	13.9	**9.6**	9.1	**20.7**	17.4	8,045	220	2.7
Hannaford Bros	**20.3**	19.1	13.3	34.2	**16.4**	12.9	**21.8**	11.8	1,659	41	2.5
Bruno's	**20.1**	20.0	13.8	30.9	**25.6**	11.5	**16.4**	24.2	2,450	63	2.6
Smith's Food & Drug	**19.4a**	13.5	9.0	48.8	**23.0**	19.9	**21.9**	16.2	1,977	33	1.7
Weis Markets	**17.9**	15.2	14.8	0.0	**5.2**	2.0	**10.6**	0.5	1,268	86	6.8
Seaway Food Town	**17.5**	9.1	6.6	55.4	**1.9**	6.6	**40.0**	–23.4	546	3	0.5
Schultz Sav-O Stores	**17.3**	11.7	9.9	42.3	**4.5**	4.6	**17.3**	–21.3	480	4	0.8
Winn-Dixie Stores	**17.2**	19.1	18.1	8.9	**4.8**	6.1	**3.1**	10.3	9,860	152	1.5
Casey's General Store	**16.8**	11.1	7.9	40.7	**12.7**	13.8	**18.9**	37.7	513	8	1.6
Village Super Market	**15.2**	9.0	7.9	40.2	**15.6**	3.5	**8.6**	–7.9	681	4	0.6
Marsh Supermarkets	**15.2**	16.7	9.5	51.3	**8.0**	13.0	**17.8**	20.8	1,014	12	1.2
Ingles Markets	**14.9**	9.6	8.0	55.2	**13.9**	16.4	**17.5**	–16.3	999	12	1.2
Great A&P Tea	**13.8**	14.0	11.0	29.6	**14.2**	3.3	**25.9**	8.4	11,125	153	1.4
Circle K	**13.5**	NE	def	141.2	**23.7**	–0.6	**–11.9**	P-D	3,637	–791	def
Ruddick	**13.3**	14.6	11.1	33.1	**11.0**	9.3	**8.4**	15.0	1,422	24	1.7
Delchamps	**12.7**	13.9	11.3	21.2	**9.6**	5.9	**NM**	11.6	966	14	1.4
American Stores	**11.9**	12.6	8.3	71.6	**11.6**	6.3	**–10.4**	86.4	22,589	149	0.7
Foodarama Supermkts	**9.3**	8.0	6.3	64.2	**4.6**	20.1	**NM**	130.2	652	3	0.4
Dairy Mart	**7.6**	8.1	7.7	66.6	**42.2**	–10.1	**NM**	110.7	552	2	0.5
Kroger	**5.7**	NE	20.7	243.9	**3.7**	7.3	**NM**	D-P	20,201	21	0.1
Natl Conenience	**def**	def	2.1	58.0	**3.4**	–1.3	**NM**	D-D	1,069	–8	def
Eagle Food Centers	**NA**	14.5	10.9	56.8	**–1.9**	4.2	**NA**	–11.9	1,145	9	0.7
Penn Traffic	**NA**	def	3.7	95.7	**35.7**	40.4	**NA**	D-D	2,896	–32	def
Riser Foods	**NA**	23.5	9.2	69.0	**NA**	–2.6	**NA**	D-P	1,054	6	0.5
Vons Cos	**NA**	18.3	8.8	76.7	**15.3**	3.2	**NM**	D-P	5,316	35	0.7
Medians	**16.0**	**13.9**	**9.7**	**45.6**	**11.0**	**6.4**	**16.4**	**11.7**	**1,345**	**13**	**1.2**
Restaurant chains											
McDonald's	**22.2**	21.1	12.1	45.9	**13.1**	9.8	**15.1**	13.5	6,555	787	12.0
Bob Evans Farms	**17.5**	13.1	12.6	0.9	**17.1**	9.9	**13.4**	–8.5	469	28	5.9
Morrison	**16.0**	12.4	10.5	15.5	**12.4**	8.1	**15.2**	–30.0	917	22	2.4
Collins Foods Intl	**14.9**	11.8	10.4	4.4	**6.3**	8.8	**10.1**	0.0	594	30	5.1
Shoney's	**11.6**	NE	25.6	206.0	**12.6**	8.6	**–5.9**	63.6	912	28	3.1
Carl Karcher	**10.5**	8.6	7.7	61.2	**9.8**	6.7	**NM**	–67.8	520	5	1.1
Wendy's Intl	**5.2**	8.5	7.8	26.5	**1.0**	–4.6	**NM**	46.2	1,004	36	3.6
Medians	**14.9**	**11.8**	**10.5**	**26.5**	**12.4**	**8.6**	**10.1**	**0.0**	**912**	**28**	**3.6**
Industry medians	**15.2**	**12.6**	**10.4**	**34.2**	**12.9**	**10.1**	**9.7**	**7.3**	**1,078**	**24**	**1.8**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

TRANSPORT



The old war between railroads and truckers may heat up again. Truckers have declared a truce, but only with one another.

By Roula Khalaf

RAILROADS REJOICED LAST YEAR when the Department of Transportation recommended the repeal of the Federal Employers Liability Act. This 1908 law brought about a complex tort-based system by which railroads compensate workers injured on the job. The industry contends the act costs railroads $1 billion a year, $300 million more than similar injuries cost other industries. The industry hopes the issue will be taken up by Congress in 1991.

Railroads are preparing for another battle on Capitol Hill, this one against truckers. In 1991 the Highway Bill is due for reauthorization, and the rail lines are worried that truckers will succeed in having the federal weight limit of trailer

Transport	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		Return on capital latest 12 mos %	Debt/capital %	Sales		Earnings per share				
Company	5-year average %	latest 12 mos %			5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Railroads											
Burlington Northern	20.4	24.1	9.2	46.3	1.6	1.6	–13.5	88.5	4,687	265	5.7
Union Pacific	11.1	15.5	8.5	37.9	–4.9	12.1	NM	7.5	7,101	609	8.6
Norfolk Southern	10.4	11.7	7.2	10.2	5.1	0.3	NM	–1.7	4,601	587	12.8
CSX	8.3	12.3	6.9	32.4	NM	3.8	NM	4.1	8,052	412	5.1
Kansas City Southern	1.1	13.9	10.3	31.6	1.1	2.7	NM	D-P	521	54	10.3
Santa Fe Pacific	def	def	0.0	56.0	–16.3	–2.7	NM	P-D	2,950	–254	def
Consolidated Rail	NA	3.7	3.0	32.2	1.0	–4.0	–18.2	–50.1	3,354	90	2.7
Illinois Central	NA	NA	NA	63.6	–10.9a	2.3	NA	NA	556	63	11.4
Medians	**9.4**	**12.3**	**7.2**	**35.1**	**–2.0**	**2.0**	**NM**	**4.1**	**3,978**	**178**	**7.1**
Trucking & shipping											
Alexander & Baldwin	27.9	18.0	12.4	27.2	7.9	13.6	27.7	–48.0	704	109	15.4
JB Hunt Transport	25.1	18.2	10.9	26.2	40.4	15.3	17.1	3.8	553	32	5.7
Yellow Freight Sys	12.3	5.4	4.7	21.1	9.7	4.6	–11.3	–59.8	2,284	25	1.1
Roadway Services	12.1	14.4	13.1	0.0	12.3	12.8	NM	7.3	2,871	104	3.6
Consol Freightways	9.6	def	def	34.1	15.7	17.9	9.1	P-D	4,112	–58	def
Carolina Freight	7.1	def	0.6	36.2	7.2	6.6	–12.0	P-D	710	–2	def
American President	6.6	def	def	39.6	20.6	–1.5	NM	P-D	2,227	–70	def
Preston	2.8	def	def	55.2	16.7	6.3	NM	P-D	654	–23	def
Avondale Industries	defa	def	def	15.4	10.3	8.2	NM	P-D	740	–21	def
Medians	**9.6**	**def**	**0.6**	**27.2**	**12.3**	**8.2**	**–12.0**	**P-D**	**740**	**–2**	**–0.3**
Air freight											
Air Express Intl	29.9	26.4	20.1	41.6	13.9	7.7	25.4b	52.1	552	11	2.0
Federal Express	10.3	8.1	5.7	46.2	27.6	27.0	10.8	–15.1	7,284	128	1.8
Airborne Freight	10.3	18.7	11.9	22.6	17.9	25.5	NM	103.1	1,127	34	3.1
Pittston	def	3.1	3.8	22.4	6.2	[illegible]	NM	–53.9	1,765	13	0.7
Medians	**10.3**	**13.4**	**8.8**	**32.1**	**15.9**	**16.6**	**NM**	**18.5**	**1,446**	**24**	**1.9**
Industry medians	**10.3**	**9.9**	**6.3**	**32.4**	**7.9**	**6.6**	**NM**	**–31.6**	**2,227**	**34**	**2.7**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: FORBES; Value Line Data Base Service via Lotus CD Investment.

trucks raised beyond the current 80,000 pounds. This would open up the nation's highways to double 48-foot and triple 28-foot trailers. The railroads argue that allowing these behemoths on the highways would reduce their operating revenues by over 40%.

Surprisingly, railroad traffic held its own in 1990, with strong coal shipments—which account for nearly half of total tonnage—offsetting lackluster results in lumber, steel and autos. But if bigger trailers are allowed on the highways, life will almost certainly get tougher for the railroads.

That's one reason the industry continued to redefine itself last year. Santa Fe Pacific completed the spinoff of its real estate and oil and gas units. CSX sold off its gas processing operations, and Union Pacific began liquidating its real estate portfolio. Consolidated Rail and Union Pacific repurchased some of their shares. Such restructurings have enabled companies to focus on transportation and compete with truckers more effectively.

Major railroads also shed more unprofitable lines. Some track was abandoned, while the rest was sold to nonunion short-line railroads. Entrepreneurs who run such lines preserve service to shippers and communities and thereby help rail systems keep business that would otherwise go to trucks.

As for the trucking industry, leading truckers such as Yellow Freight, Consolidated Freightways and Roadway seem to have called a truce in the price wars that plagued the industry in 1989. Meanwhile, yielding to pressure from medium to smaller less-than-truckload carriers, the Regular Common Carrier Conference petitioned the Interstate Commerce Commission to set minimum rate standards. If this were to happen, it would mark a step back from the deregulation of the industry heralded by the 1980 Motor Carrier Act. Consolidated Freightways, Yellow Freight and Roadway are said to have voted against the petition.

In ocean shipping, American President Lines, which operates container ships in the Pacific, is fighting a slowdown in volume resulting from lackluster demand for imports. American President's application to operate between Hawaii and the West Coast of the U.S. was denied by the Federal Maritime Administration, thereby safeguarding Alexander & Baldwin's near stranglehold on the market. The robust Hawaii market allowed Alexander & Baldwin to hold its own. ■

Hitching a ride

AIRBORNE EXPRESS

Rich Frishman

Airborne Freight's Robert Cline

In the small-package express delivery business Airborne Freight (estimated 1990 sales, over $1 billion) is one of the little guys. It competes with $7 billion Federal Express. Airborne's international sales are also only a fraction of those of its larger competitor. But Airborne's international strategy is in the air while Federal Express' isn't.

While Federal Express is still trying to digest its acquisition of Tiger International for $880 million in 1989, Airborne is forging alliances with foreign freight firms and contracting with common carriers to ship its international business. Last year Airborne joined forces with Japan's Mitsui & Co. and Tonami Transportation to form Airborne Express Japan. The new company—40% owned by Airborne, 40% by Mitsui and 20% by Tonami—will ship freight and express packages to and from Japan and to the rest of the world.

Airborne seems to have negotiated a good deal. It contributed its existing Japanese operations. Mitsui and Tonami bought a $40 million Airborne preferred stock issue, convertible into nearly 9% of common. Mitsui also agreed to extend Airborne $100 million in aircraft financing over the next five years.

"The Japanese market is very nationalistic, and having a local partner is key to having better penetration," explains Airborne Chairman Robert Cline, 53, a 25-year company veteran. "That, in a nutshell, is our philosophy for overseas expansion."

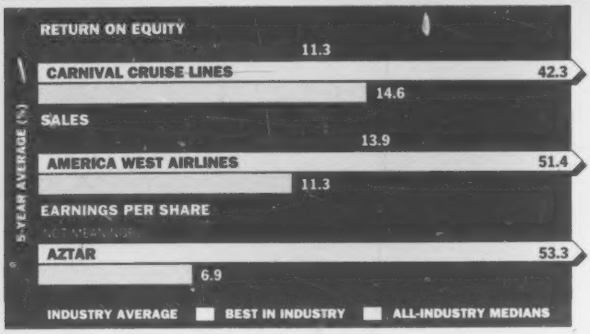
The firm's success in the U.S. is based on its reputation for reliable service to such corporate customers as IBM and Xerox, at rates 10% lower, on average, than Federal Express.

Domestically, Airborne flies its own planes, mostly cheap secondhand passenger jets (FORBES, *Jan. 9, 1989*). This presents a problem: If the price of aviation fuel doesn't come down, its fleet of older, less efficient jets could hurt margins. Airborne's overseas shipments go with other carriers.

Airborne now serves 90% of the world's countries. Still, its international business generates only 20% of its sales. Of the roughly $5 billion international express delivery market, Airborne is estimated to have no more than a 1% share. Cline is banking on the Mitsui deal to boost international operations in the Far East. He's already negotiated a similar arrangement in Thailand and is shopping for partners in Europe. Japan's express market alone is growing at 25% a year. Internationally, this business is expected to double in the next five years.

What about competition from other firmly entrenched outfits such as Brussels-based DHL International and Australia's TNT Ltd.? "It's a tough market," Cline agrees. "But if we keep driving down our costs and providing reliable service, we think we can be very competitive." —**R.K.**

TRAVEL



The travel industry made an inauspicious start in the Nineties. Good times aren't likely to resume any time soon.

By William Heuslein

It's a textbook case of a triple whammy: rising jet fuel prices, weakening demand for air travel and unstable pricing.

Each time jet fuel rises 1 cent a gallon, the U.S. airline industry loses about $150 million in profits. Fuel prices doubled after July but have since moderated. Fuel is the airlines' single biggest expense after wages and benefits.

The airlines' losses in the last quarter of 1990 are expected to total well over $1 billion. Heavily indebted carriers, such as Pan Am, TWA and Continental, have been shopping routes. Early in December Continental filed for Chapter 11 protection—for the second time in seven years. Beleaguered Donald Trump's privately owned East Coast shuttle is rumored to be on the block, and Pan Am's shuttle is for sale. Eastern has been operating under Chapter 11 since March 1989.

International air routes are the hot properties these days, what with air travel into and out of the U.S. growing at more than four times the rate of domestic travel. Many of the most desirable foreign routes are now being shaken from the hands of the weaker U.S. airlines, such as Pan Am and TWA, which are saddled with older, less efficient aircraft. United has offered $400 million for several choice Pan Am assets, including coveted routes to London's Heathrow airport. American is bidding $445 million for six TWA U.S.-London routes. Both bids await government approval.

Travel	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/ capital %**	**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Airlines											
UAL	**30.8**	14.4	10.1	42.6	**7.8**	9.8	**NM**	–43.3	10,601	225	2.1
Delta Air Lines	**16.9**	3.5	2.9	18.7	**13.9**	2.9	**16.3**	–79.8	8,626	118	1.4
AMR	**13.6**	5.6	4.5	36.2	**14.1**	10.1	**8.9**	–60.4	11,303	214	1.9
Alaska Air Group	**12.3**	8.2	6.5	34.6	**22.0**	13.9	**NM**	–37.9	1,013	30	2.9
Southwest Airlines	**10.4**	10.3	6.8	32.3	**11.8**	15.8	**NM**	–20.0	1,141	60	5.2
USAir Group	**5.9**	def	def	41.7	**35.9**	2.6	**NM**	P-D	6,396	–335	def
Midway Airlines	**def**	def	def	61.7	**28.3**	32.1	**NM**	P-D	622	–79	def
America West Airlines	**def**	def	2.0	86.7	**51.4**	34.6	**NM**	P-D	1,248	–18	def
Continental Airlines	**def**	NE	def	167.7	**45.1**	–5.2	**NM**	D-D	6,615	–460	def
Pan Am	**def**	NE	def	500.0+	**NM**	11.8	**NM**	D-D	3,918	–447	def
Medians	**8.2**	**def**	**2.5**	**42.2**	**18.1**	**11.0**	**NM**	**–79.8**	**5,157**	**6**	**0.0**
Hotels & gaming											
Carnival Cruise Lines	**42.3**	23.4	14.5	51.3	**31.1**	25.6	**36.0**	–2.5	1,321	208	15.8
Circus Circus	**36.1**	44.2	14.5	73.5	**15.2**	9.9	**28.3**	3.8	565	70	12.4
Caesars World	**25.8**	13.6	9.6	53.3	**8.0**	–1.9	**33.2**	–43.6	880	33	3.8
Hilton Hotels	**16.1**	12.6	8.3	33.3	**8.8**	6.3	**4.4**	–5.7	1,015	112	11.1
Aztar	**9.6**	26.1	20.5	34.5	**–3.3**	–12.3	**53.3**	D-P	483	88	18.2
Bally Manufacturing	**6.0**	def	1.6	63.6	**9.7**	4.6	**NM**	P-D	2,061	–83	def
Promus Cos	**NA**	NA	NA	75.9	**3.4**	6.6	**NA**	NA	992	NA	NA
Medians	**20.9**	**18.5**	**12.1**	**53.3**	**8.8**	**6.3**	**30.8**	**–4.1**	**992**	**79**	**11.7**
Industry medians	**11.3**	**6.9**	**5.5**	**51.3**	**13.9**	**9.8**	**NM**	**–52.0**	**1,248**	**47**	**2.0**
All-industry medians	**14.6**	**12.3**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes, Value Line Data Base Service via Lotus CD Investment.

The long, drawn-out takeover saga of United Airlines' parent, UAL Corp., ended last year with no change in ownership and the highly competent Stephen Wolf still at the controls. United subsequently placed a $22 billion order with Boeing—a gutsy move that should leave UAL with one of the U.S.' most modern, efficient fleets. The contest between Wolf's United and Robert Crandall's American for domination of the U.S. airline industry will be worth watching.

Meanwhile, the hotel and casino businesses are plagued by overcapacity. The building spree of the last decade and the soft economy have left occupancy rates stuck at around 65%. Prime Motor Inns, which filed for Chapter 11 in September 1990, was one of the most recent casualties.

Donald Trump and his bondholders worked out a restructuring for Atlantic City's gigantic Taj Mahal. Though Trump retains board control, the bondholders got 50% of the equity. The newest hotel and gaming facilities in Las Vegas—Circus Circus' Excalibur and Golden Nugget's Mirage—are doing well. But competition will continue to intensify to attract the high rollers—whose wallets are thinner these days. ■

American's international flight plan

As its weaker brethren struggle to stay aloft, American Airlines, the principal subsidiary of AMR Corp., is capitalizing on their problems. Despite the current economic climate, American has a five-year, $17 billion capital spending program, over half of which is earmarked for international operations.

Foreign routes now contribute over 20% of the total revenues of the Dallas-Fort Worth-based carrier. By the end of the Nineties, international business is expected to account for one-third of American's total revenues, according to Chairman and Chief Executive Robert Crandall.

On Dec. 3, when Continental Airlines filed for Chapter 11 bankruptcy protection, the besieged carrier agreed to sell its Seattle-Tokyo route to AMR for $150 million. Crandall followed that with a $445 million bid for TWA's U.S.-London routes, plus $70 million for TWA gates and slots in Chicago, Orlando and Nashville.

Zan Kaluzny/Gamma-Liaison

Robert Crandall of American Airlines

American is still waiting for approval of its proposed acquisition in late 1989 of TWA's Chicago-London route. Last year it also bought Eastern's extensive Latin American route system for $425 million. With this acquisition, the 55-year-old Crandall applied a lesson learned in 1985, when he failed to pursue Pan Am's Pacific operations. That allowed United to snatch the very profitable routes.

Not all of American's expansion is a result of buying assets from weaker airlines. Following the 1989 aviation treaty with Japan, the Department of Transportation awarded the new San Jose-Tokyo route to American, giving the airline much-needed access to Japan from the West Coast. But the carrier was dealt a big blow when a new Chicago-Tokyo route went instead to rival United.

In the first nine months of 1990 AMR earned $176 million. But a disastrous fourth quarter industrywide is likely to turn 1990 into a loss for AMR. The prospects for a rebound? "The airline industry hasn't recovered in 20 years," says Crandall. "If you look at the industry's profit record, it's never been healthy. At the moment we have a greater crisis than usual. I expect 1991 to be a very unsatisfactory year for the industry."

Crandall emphasizes that financially unstable carriers that price fares below costs are undermining the entire industry. "You're going to see a material restructuring," he warns. As this correction proceeds, American will be there picking over the best assets of the casualties.—W.H.

WHO'S WHERE IN

GROWTH

America's largest corporations show about the same long-term earnings growth as they did last year, but over the last 12 months earnings fell 2%.

By Robert C. Balancia

THE STEADY EARNINGS GROWTH that characterized most of the 1980s finally came to a halt last year. Latest 12-month profits per share are down 2% for the median company in this survey. The Institutional Brokers Estimate System, a service of New York brokerage firm Lynch, Jones & Ryan, projects that 1990 earnings for the S&P 500 will be up only 2% from 1989.

Sales growth figures reflect the economic slowdown. Over the past five years the median company in our survey had an 11% average annual sales increase. But during the most recent 12-month period sales grew at less than 7%.

Retailers are noticeably absent from the top of the list this year, reflecting the weakening economy. Last year our survey listed four retailers among the top ten companies in earnings-per-share growth (the table in our previous issue was ranked on ten-year rather than five-year rates). This year Costco Wholesale, in sixth place, is the only retailer to make the top ten. Two other retailers previously in the top ten—Limited and Circuit City Stores—dropped down over 100 notches in ranking.

New to our survey are two computer firms—Intelligent Electronics and Silicon Graphics—both ranked within the top ten growth companies. Note that all but one of the top ten companies have only a three-year rather than a five-year earnings growth rate. Few companies can sustain abnormally high growth rates over an extended period.

What's this year's outlook? Despite recession fears, Wall Street actually expects earnings to be higher. The Institutional Brokers Estimate System forecast for the S&P 500 is for a surprising 14% increase in profits in 1991. But keep two things in mind. First: 1990 wasn't a great year, so the estimates are being compared with a relatively weak base. Second: Analysts are often more optimistic at the start of a year than at the end. In other words, stay tuned. ■

	—Earnings per share—			—Sales—		
Company	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %
Cyprus Minerals	1	147.8b	–54.6	179	22.8	3.4
BF Goodrich	2	142.0b	–19.4	1028	–7.6	–1.3
Intelligent Electron	3	122.2b	115.6	NR	NM	189.7
Valmont Industries	4	102.0b	–6.2	129	27.1	11.9
Inland Steel Inds	5	101.5b	–85.9	762	6.2	–7.4
Costco Wholesale	6	97.2b	44.3	22	67.5	37.8
Silicon Graphics	7	94.6b	104.4	8	88.0	46.8
Conseco	8	92.5	–40.5	NR	NM	20.0
Sotheby's Holdings	9	88.9b	53.4	96	31.2	19.7
MagneTek	10	85.9b	43.1	45	47.3	11.4
Delta Woodside Inds	11	85.5a	–84.3	34	56.8	–9.6
Fairchild	12	82.4	–15.1	77	36.2	33.6
Federal Natl Mortgage	13	81.4b	45.8	857	3.8	11.1
Everex Systems	14	81.3a	13.2	3	110.4a	15.7
Compaq Computer	15	79.6	11.1	35	56.8	22.9
Danaher	15	79.6	37.3	43	48.2	3.8
First Capital Holding	17	76.9	–47.2	NR	NM	13.7
Georgia Gulf	18	74.6a	–45.6	354	14.7	–17.3
American Cap & Res	19	73.8	12.5	15	76.7	29.3
3Com	20	71.0	–13.4	16	75.4	11.0
Reynolds Metals	21	70.6b	–26.3	456	12.5	–1.4
Sun Microsystems	22	67.2	145.6	6	102.8	36.0
Alcoa	23	66.2b	–38.8	563	10.5	–1.5
Jacobs Engineering	24	66.1a	34.7	70	39.4	11.1
Alcan Aluminium	25	64.8b	–48.8	522	11.3	–4.1
Terex	26	64.2	9.3	1	150.3	84.9
Lafarge	27	63.7a	–38.2	546	10.9	11.6
Mark IV Industries	28	62.5	175.5	17	74.2	–10.2
Novell	29	61.9	81.3	9	87.7	18.1
Alberto-Culver	30	61.1	15.6	310	16.2	10.9
Quantum Chemical	31	61.0	–91.3	605	9.6	–11.7
Primerica	32	60.2b	–6.0	171	23.8	40.1
WTD Industries	33	59.8	P-D	23	64.4	–8.6
Drug Emporium	34	59.8b	–8.7	62	42.7	22.3
Lukens	35	59.5b	29.8	565	10.5	5.6
International Paper	36	59.0	–11.7	188	22.1	16.0
Crystal Brands	37	58.2a	–20.3	619	9.4	10.4
Birmingham Steel	38	57.7b	–59.6	56	44.3b	–1.1
Stone Container	39	57.3	–54.4	75	37.2	18.5
Pope & Talbot	40	56.9a	–21.7	337	15.3	–5.2

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. NR: Not ranked. a: Four-year average. b: Three-year average.

Company	—Earnings per share—			—Sales—		
	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %
Microsoft	41	56.7	60.9	36	55.4	52.8
Reader's Digest Assn	42	55.8	20.2	660	8.5	12.8
Apple Computer	43	55.0	6.8	116	28.7	5.2
Medco Containment	44	54.1a	-44.1	12	82.6	34.8
Home Depot	45	53.9	45.4	57	44.0	37.0
CBI Industries	46	53.4b	133.7	614	9.4	6.3
Aztar	47	53.3	D-P	982	-3.3	-12.3
Stride Rite	48	53.2	28.3	579	10.1	11.5
NL Industries	49	52.5	-43.5	278	17.5	-7.8
Wellman	50	52.0b	20.6	90	32.6b	123.1
Smithfield Foods	51	51.5	197.1	6[illegible]7	8.7	24.9
General Re	52	51.2	4.3	654	8.6	8.1
JWP	53	51.2	25.1	11	83.2	74.2
Federal Paper Board	54	51.2	-27.6	360	14.5	7.3
Harley-Davidson	55	50.1	39.6	121	28.2	11.3
Computer Associates	56	49.4	8.3	53	45.0	5.8
Georgia-Pacific	57	49.2	-22.4	586	9.9	17.0
Applied Power	58	49.0	-2.0	224	19.7	80.9
Texas Instruments	59	48.8b	-94.1	840	4.4	0.7
Imperial Holly	60	48.8	-33.0	156	25.3	4.6
Harman International	61	48.5	-27.1	106	29.7	7.6
American Home Prods	62	48.3	13.8	779	5.8	2.4
Hanover Insurance	63	47.7	-50.4	244	18.6	6.7
Amdahl	64	47.5	-6.9	164	24.3	5.9
Atlantic Richfield	65	47.5b	-17.5	1024	-7.4	3.0
Louisiana-Pacific	66	47.3	-12.3	322	15.8	-0.9
NIKE	67	47.2	42.3	541	10.9	36.8
First Financial Mgmt	68	46.9	19.1	7	94.9	73.6
Caterpillar	69	46.8a	-44.7	466	12.3	3.8
Valhi	70	46.6	-43.8	39	52.4	-19.3
Gap	71	44.8	27.8	163	24.4	26.6
20th Century Inds	72	44.8	-2.8	122	28.1	11.9
TBC	73	44.4	12.5	799	5.4	4.4
GenCorp	74	43.7	-88.5	1041	-10.2	-7.0
Albany International	75	43.1	-53.4	378	14.2	8.6
Merisel	76	42.6b	-63.6	94	31.7	76.0
Dow Chemical	77	42.2	-42.6	569	10.4	7.1
Walt Disney	78	41.8	17.6	197	21.6	27.2
Zenith National Ins	79	41.4	-29.9	145	26.0	6.5
Michigan National	80	41.2	-60.3	667	8.3	-30.7
Paramount Commun	81	41.1	266.6	NR	NM	-6.4
Waxman Inds	82	40.4	-25.0	78	36.1	44.0
Seaway Food Town	83	40.0	-23.4	918	1.9	6.6
GlenFed	84	39.8	5.2	428	13.2	-4.9
WR Berkley	85	39.7a	-22.2	111	29.1	2.3
Boise Cascade	86	39.4	-56.7	897	2.7	-1.6
Eastern Enterprises	87	39.4b	9.5	1050	-12.9	18.3
Polaroid	88	39.3	72.4	606	9.5	0.7
Castle & Cooke	89	39.0a	40.9	559	10.6	16.2
Texaco	90	38.8	-49.9	1029	-7.6	5.0
GATX	91	38.4b	3.1	992	-4.2	27.0
Hartford Steam Boiler	92	38.2	1.6	442	12.8	15.2
Northern Trust	93	38.2	-10.0	570	10.4	7.3
St Paul Cos	94	38.2a	22.8	580	10.0	2.7
Inacomp Computer	95	37.4	9.2	76	36.2	42.3
FMC	96	37.1	0.0	NR	NM	2.6
Spiegel	97	37.1	10.8	258	18.1	19.4
Chubb	98	36.2	16.7	331	15.6	1.3
Carnival Cruise Lines	99	36.0	-2.5	98	31.1	25.6
Kemper	100	35.8	-94.6	455	12.5	6.5
General Motors EDS	101	35.8	16.4	93	32.3	9.7
Tyson Foods	102	35.6	16.8	157	25.2	50.7
Progressive	103	35.4	-14.5	74	38.2	-0.3
Baxter International	104	35.4	P-D	84	34.6	8.6
Longview Fibre	105	35.3	-19.1	624	9.2	-1.8
DSC Communications	106	35.0b	52.0	770	5.9	24.2
First Chicago	107	34.9	-19.1	852	4.0	6.1
General Cinema	108	34.7	-93.5	218	19.9	5.0
Aetna Life & Cas	109	34.5	-14.1	811	5.1b	4.4
Champion Intl	110	34.2a	-37.3	NR	NM	-2.0
Arden Group	111	34.2	7.3	996	-4.9	-2.6
Potlatch	112	34.2	0.7	844	4.3	6.7
American Intl Group	113	34.0	4.3	124	27.9	9.7
Morgan Stanley	114	33.7a	-10.9	88	33.4	10.9
Ryland Group	115	33.6	-5.1	143	26.1	2.1
Marsh & McLennan Cos	116	33.6	3.5	276	17.5	11.2
CalMat	117	33.4	92.7	345	15.0	-27.7
Holly Corp	118	33.4	-27.7	NR	NM	15.2
Colgate-Palmolive	119	33.4	-10.7	NR	NM	10.7
Ferro	120	33.4	-32.8	480	12.0	3.6
Wal-Mart Stores	121	33.3	27.6	91	32.5	25.0
Caesars World	122	33.2	-43.6	683	8.0	-1.9
Circuit City Stores	123	33.0	13.5	89	32.9	20.7
Lennar	124	33.0	-32.1	195	21.7	-8.1
Norwest	125	31.8	8.7	NR	NM	19.7
National Health Labs	126	31.5	31.7	166	24.2	29.3
FHP International	127	31.2	6.9	66	41.2	40.6
CRSS	128	30.9	-10.7	353	14.7	-18.5
Great Lakes Chemical	129	30.9	13.5	160	25.0	41.7
Lands' End	130	30.7a	-42.3	144	26.0	8.2
Ohio Casualty	131	30.6	-39.7	618	9.4	4.4
Interface	132	30.6	12.0	61	43.4	4.9
Food Lion	133	30.5	27.5	139	26.3	19.7
Illinois Tool Works	134	30.5	11.9	82	35.3	15.4
Merck	135	29.5	20.2	355	14.7	16.0
Precision Castparts	136	29.4	0.0	127	27.3	10.8
PepsiCo	137	29.4	12.8	333	15.6	17.2
Digital Equipment	138	29.0	P-D	246	18.6	-0.2
Willamette Inds	139	28.4	-5.8	526	11.2	3.2
Circus Circus	140	28.3	3.8	342	15.2	9.9
Newell Co	141	28.1	29.8	87	33.7	-1.7
Butler Manufacturing	142	28.1	-48.1	724	7.0	-7.1
AAR Corp	143	28.1	-1.2	268	17.7	6.4
Liz Claiborne	144	28.0	27.5	112	29.1	23.5
Student Loan	145	27.9	16.3	194	21.7	13.5
Chiquita Brands Intl	146	27.9	6.7	863	3.6	12.6
Alexander & Baldwin	147	27.7	-48.0	686	7.9	13.6
Becton Dickinson	148	27.7	-13.5	520	11.4	11.1
Price Co	149	27.7	7.4	92	32.4	7.9
Wells Fargo	150	27.6	27.7	505	11.5	4.7
Kaufman & Broad Home	151	27.6a	-7.3	73	38.3	51.6
Archer Daniels	152	27.6	4.2	553	10.7	2.2
Helene Curtis Inds	153	27.3	-50.3	306	16.4	10.6
Waste Management	154	27.3	20.9	118	28.5	27.8
CNA Financial	155	27.2	-49.7	226	19.7	7.5
Ingersoll-Rand	156	26.9	6.6	771	5.9	8.7
Olsten	157	26.8	-16.1	180	22.7	4.6
Reebok International	158	26.8	16.3	38	52.6	15.4
Limited	159	26.5	20.1	154	25.4	15.2
Blount	160	26.3	-81.8	NR	NM	-25.0
Philip Morris Cos	161	26.0	45.1	105	29.7	16.4
Great A&P Tea	162	25.9	8.4	377	14.2	3.3
Stanhome	163	25.9	14.9	476	12.0	22.3
General Mills	164	25.7	27.4	741	6.6	15.6

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. NR: Not ranked. a: Four-year average. b: Three-year average.

WHO'S WHERE IN GROWTH

Company	—Earnings per share— rank	5-year average %	latest 12 mos %	—Sales— rank	5-year average %	latest 12 mos %
Adia Services	165	25.7	–15.3	113	29.0	13.2
Commercial Metals	166	25.6	–7.7	NR	NM	–13.2
Air Express Intl	167	25.4b	52.1	389	13.9	7.7
Washington Post	168	25.4	4.5	677	8.0	1.2
ITT	169	25.3	43.5	NR	NM	0.4
Chesapeake	170	25.3	–52.0	271	17.6	8.2
Toys 'R' Us	171	25.2	19.1	169	[illegible]	21.6
NCH	172	25.2	13.7	464	12.3	10.3
Whitman	173	25.1	P-D	344	15.0	–28.4
Wm Wrigley Jr	174	25.1	7.9	511	11.5	12.2
Corning	175	25.0	17.9	706	7.4	17.2
A Schulman	176	24.9	17.0	287	17.0	8.7
MNC Financial	177	24.4	P-D	308	16.3	33.8
Scott Paper	178	24.4	–24.4	419	13.3	3.0
Springs Industries	179	24.3	–97.4	298	16.6	–1.4
CDI	180	24.3	–32.4	238	18.9	9.0
Mercury General	181	24.2	220.5	64	42.1	4.9
Alexander's	182	24.2	P-D	956	–1.5	–0.6
Monsanto	183	24.1b	–0.7	767	6.0	2.9
Nordstrom	184	23.8	–22.5	192	21.8	10.5
Alco Standard	185	23.8	–35.0	909	2.3	4.4
Toro	186	23.8	–26.2	229	19.3	16.7
Ethyl	187	23.7	9.1	521	11.3	4.9
Sigma-Aldrich	188	23.7	12.7	217	19.9	23.1
Freeport-McMoRan	189	23.6	122.9	208	20.6	–18.2
Figgie Intl	190	23.6	–7.1	432	13.1	0.2
Syntex	191	23.6	16.1	641	8.8	14.0
Capital Cities/ABC	192	23.4	15.6	52	45.0	12.2
Universal Foods	193	23.4	21.9	379	14.2	0.2
Temple-Inland	194	23.4	8.6	386	14.0	9.3
Pilgrim's Pride	195	23.3	–17.2	269	17.6	10.4
Mead	196	23.3	–29.3	420	13.3	3.0
Thermo Electron	197	23.2	22.5	212	20.6	14.2
Loews	198	23.1	–8.9	293	16.8	8.5
Olin	199	22.9b	–6.7	791	5.7	0.8
Bemis	200	22.8	13.5	692	7.7	1.5
Tyco Laboratories	201	22.8	25.4	131	27.1	13.7
CPC International	202	22.7	13.9	873	3.4	11.6
Kelly Services	203	22.7	3.9	427	13.2	8.3
CBS	204	22.7	16.2	1047	–12.1	11.8
Safeco	205	22.5	–11.2	687	7.9	13.4
Vishay Intertech	206	22.4	22.3	37	54.1	6.9
Centel	207	22.3	19.4	986	–3.5	23.0
Browning-Ferris Inds	208	22.2	P-D	204	21.0	16.3
Kennametal	209	22.2	6.1	694	7.6	22.0
Tandem Computers	210	22.2	–3.4	142	26.2	14.3
Coca-Cola	211	22.1	59.5	540	11.0	13.6
TJX Cos	212	22.0	–8.8	249	18.4	10.3
General Public Utils	213	22.0	8.3	948	0.7	3.4
Crane	214	22.0	43.8	338	15.3	0.0
Smith's Food & Drug	215	21.9	16.2	178	23.0	19.9
Hannaford Bros	216	21.8	11.8	305	16.4	12.9
Paccar	217	21.7	–16.2	440	12.9	–17.9
Johnson & Johnson	218	21.6	4.5	567	10.4	16.0
Union Camp	219	21.6	–24.2	657	8.5	1.1
Avery Dennison	220	21.6a	NA	486	11.9a	NA
Cooper Tire	221	21.5	19.7	572	10.3	4.4
Westinghouse	222	21.3	14.3	867	3.5	0.2
ConAgra	223	21.3	12.1	137	26.5	27.0
Raytheon	224	21.1	6.9	679	8.0	3.4
Wyle Laboratories	225	20.9b	98.4	730	6.9	8.7
Firstar	226	20.9	12.8	622	9.3	7.2
Medtronic	227	20.9	11.4	375	14.3	19.9
Pulitzer Publishing	228	20.9	20.6	525	11.2	2.3
Marion Merrell Dow	229	20.7	88.8	104	30.2	103.8
Federal Signal	230	20.7	33.5	578	10.1	7.4
Albertson's	231	20.7	17.4	602	9.6	9.1
Loctite	232	20.6	12.3	316	15.9	14.8
Sonoco Products	233	20.5	–53.4	232	19.2	–0.6
Getty Petroleum	234	20.5a	–51.4	99	31.0	8.4
JC Penney	235	20.4	–11.7	868	3.5	4.4
Ralston Purina	236	20.2	0.3	837	4.4	6.7
Willcox & Gibbs	237	20.1	–23.5	207	20.8	9.1
Schering-Plough	238	20.1	19.6	471	12.2	5.7
Motorola	239	20.1	5.8	452	12.6	15.5
Masco Industries	240	20.1	P-Z	100	30.9	–7.4
Giant Food	241	20.1	8.0	631	9.0	6.9
First Security	242	19.9	9.1	NR	NM	13.2
Gitano Group	243	19.6	12.0	128	27.2	42.9
Manville	244	19.5b	27.3	856	3.8	3.7
Automatic Data	245	19.5	13.9	396	13.8	2.4
Capital Holding	246	19.5	–30.3	341	15.3	3.9
New York Times	247	19.4	–89.5	710	7.4	4.9
Cardinal Distribution	248	19.3	6.6	227	19.6	24.3
Carter-Wallace	249	19.3	6.9	609	9.5	11.4
McCormick & Co	250	19.3	–48.7	589	9.9	4.2
Hillenbrand Inds	251	19.2	6.7	219	19.9	18.3
Casey's General Store	252	18.9	37.7	444	12.7	13.8
Bandag	253	18.8	5.7	504	11.5	10.1
Fay's	254	18.8	–8.9	661	8.5	14.5
Weyerhaeuser	255	18.7	–68.7	549	10.8	–10.3
Apogee Enterprises	256	18.7	14.4	202	21.1	16.3
Brown-Forman	257	18.7	–42.2	860	3.7	5.3
Abbott Laboratories	258	18.6	15.7	469	12.3	12.9
UST Inc	259	18.5	17.0	649	8.6	12.3
American Tel & Tel	260	18.5	D-P	935	1.2	1.1
Russell	261	18.5	13.4	416	13.4	13.8
Union Bank	262	18.5	5.3	203	21.1	6.6
Rubbermaid	263	18.4	17.2	223	19.7	4.3
PHM	264	18.3	–45.1	NR	NM	–11.1
Dillard Dept Stores	265	18.2	27.6	247	18.5	22.9
Dow Jones	266	18.2	–61.3	437	12.9	3.3
Geo A Hormel	267	18.2	10.4	507	11.5	14.6
Jostens	268	18.1	8.6	714	7.3	10.5
Safety-Kleen	269	18.1	9.6	193	21.8	20.5
Lotus Development	270	18.1	73.5	115	28.8	25.0
CR Bard	271	18.0	–40.2	363	14.5	–0.2
Ecolab	272	18.0	–56.7	175	23.4	7.4
Cooper Industries	273	18.0	11.0	274	17.6	23.2
Bearings	274	18.0	–49.6	788	5.7	8.9
Woolworth	275	17.9	15.6	613	9.4	11.1
Computer Sciences	276	17.9	18.8	330	15.6	13.7
Bancorp Hawaii	277	17.9	15.5	509	11.5	24.6
Gillette	278	17.9	10.6	496	11.7	11.3
Vulcan Materials	279	17.9	–7.5	920	1.9	0.6
Western Publishing	280	17.8	–13.8	350	14.8	–0.5
Marsh Supermarkets	281	17.8	20.8	684	8.0	13.0
Edison Bros Stores	282	17.7	31.4	780	5.8	16.2
UGI	283	17.7b	–29.2	1048	–12.6	9.3
Anheuser-Busch Cos	284	17.7	9.0	681	8.0	10.8
Lincoln Electric	285	17.7	–13.7	376	14.3	12.7
Valspar	286	17.6	18.3	286	17.0	13.6
Fieldcrest Cannon	287	17.5	P-D	186	22.4	–5.3
Tribune	288	17.5	–15.4	749	6.5	3.5

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	—Earnings per share—			—Sales—		
Company	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %
Cray Research	289	17.5	13.6	132	27.0	12.0
Ingles Markets	290	17.5	–16.3	390	13.9	16.4
Kimberly-Clark	291	17.4	6.1	591	9.8	9.9
Lancaster Colony	292	17.3	–28.3	900	2.6	1.4
Schultz Sav-O Stores	293	17.3	–21.3	836	4.5	4.6
Torchmark	294	17.1	19.3	711	7.4	5.3
JB Hunt Transport	295	17.1	3.8	67	40.4	15.3
Handleman	296	17.1	–21.4	358	14.6	10.4
Crown Cork & Seal	297	17.0	4.8	727	6.9	43.3
Marshall Industries	298	17.0	7.9	295	16.7	6.3
Kellogg	299	16.9	–2.1	443	12.8	5.4
Constar Intl	300	16.8	–35.8	NR	NM	–8.6
Shaw Industries	301	16.7	19.9	198	21.5	28.2
Armstrong World Inds	302	16.7	16.0	478	12.0	–2.1
Cincinnati Bell	303	16.6	0.0	323	15.8	10.2
AMP	304	16.6	–1.8	506	11.5	4.7
PPG Industries	305	16.5	5.0	723	7.0	3.6
Nacco Industries	306	16.5	14.7	403	13.7	45.2
Sara Lee	307	16.5	8.6	568	10.4	1.8
Bruno's	308	16.4	24.2	150	25.6	11.5
Skyline	309	16.4	–38.7	NR	NM	–2.0
Sysco	310	16.4	20.8	184	22.5	7.9
Bausch & Lomb	311	16.4	15.7	260	18.0	12.9
Interpublic Group	312	16.3	12.4	318	15.9	3.9
Merry-Go-Round	313	16.3	83.6	168	24.1	47.6
Premier Industrial	314	16.3	10.4	644	8.8	4.1
Worthington Inds	315	16.3	–12.3	543	10.9	–7.2
Delta Air Lines	316	16.3	–79.8	394	13.9	2.9
Intl Flavors & Frags	317	16.2	9.9	362	14.5	8.1
Ford Motor	318	16.2	–62.8	441	12.8	1.8
Kellwood	319	16.1	–87.0	789	5.7	–4.1
PacifiCare Health	320	16.1	54.2	24	64.2	50.1
Argonaut Group	321	15.9	7.7	976	–2.9	14.3
Super Food Services	322	15.8	8.6	807	5.2	5.0
Melville	323	15.8	6.7	502	11.6	10.7
Commtron	324	15.8	15.4	240	18.9	0.7
EI du Pont de Nemours	325	15.7	–2.7	871	3.4	7.1
Berkshire Hathaway	326	15.5	–17.0	107	29.7	–8.2
Dixie Yarns	327	15.5	–47.5	199	21.4	–5.3
Savannah Foods	328	15.5	22.7	395	13.9	12.6
PH Glatfelter	329	15.3	–9.2	257	18.1	1.7
DPL	330	15.3	5.1	954	–0.9	1.1
Selective Insurance	331	15.3b	–14.3	391	13.9	2.9
State Street Boston	332	15.2	12.0	264	17.8	21.9
HF Ahmanson	333	15.2	27.4	680	8.0	12.0
Bergen Brunswig	334	15.2	–1.5	302	16.5	13.2
Morrison	335	15.2	–30.0	461	12.4	8.1
Orion Pictures	336	15.2b	–50.6	201	21.2	–2.4
Snap-on Tools	337	15.1	–3.0	524	11.2	5.1
McDonald's	338	15.1	13.5	433	13.1	9.8
Lockheed	339	15.0	–44.1	849	4.1	1.8
American Cyanamid	340	14.9	2.6	775	5.9	–4.1
Westvaco	341	14.9	–15.9	777	5.8	5.5
Cincinnati Financial	342	14.9	5.8	356	14.6	6.9
Central Steel & Wire	343	14.8	–30.2	872	3.4	–10.6
HON Industries	344	14.7	–29.6	701	7.5	13.2
American Brands	345	14.7	26.1	503	11.6	13.3
H&R Block	346	14.7	19.9	270	17.6	15.5
Minn Mining & Mfg	347	14.6	6.9	603	9.6	9.3
Consolidated Papers	348	14.6	–2.4	717	7.2	2.7
HJ Heinz	349	14.5	13.9	671	8.2	5.4
Seagram	350	14.4	10.5	241	18.9	8.4
JM Smucker	351	14.4	6.1	531	11.1	10.8
Knight-Ridder	352	14.4	–24.7	750	6.4	4.0
Commerce Bcshs	353	14.4	1.5	916	2.1	7.4
AM Castle & Co	354	14.4	–38.1	527	11.2	–7.3
NBD Bancorp	355	14.3	5.1	422	13.2	7.4
Hershey Foods	356	14.3	37.0	827	4.7	9.2
Univar	357	14.2	11.4	161	24.8	2.3
Seaboard	358	14.1	–3.5	312	16.0	0.8
Warner-Lambert	359	14.1b	19.8	758	6.3	8.1
Leslie Fay Cos	360	14.1a	2.0	470	12.2	6.4
Columbia Gas System	361	14.0b	–8.6	1027	–7.6	4.3
Outboard Marine	362	14.0	P-D	413	13.4	–21.8
NCNB	363	14.0	12.3	155	25.3	25.0
PSI Resources	364	13.9	14.1	893	2.8	–3.1
WW Grainger	365	13.7	10.9	548	10.8	13.9
Millipore	366	13.7	3.2	317	15.9	4.1
Gerber Products	367	13.7	12.0	854	3.9	6.0
Bear Stearns Cos	368	13.7a	–31.2	162	24.6	–4.0
Pall	369	13.6	13.9	332	15.6	13.6
Comerica	370	13.5	62.8	886	3.1	6.5
Transamerica	371	13.5	–0.8	550	10.8	–2.7
Eli Lilly	372	13.4	21.6	760	6.2	20.2
Dart Group	373	13.4	–41.8	20	68.3	18.3
Lubrizol	374	13.4	20.6	700	7.5	11.2
Bob Evans Farms	375	13.4	–8.5	283	17.1	9.9
Loral	376	13.4	–5.1	183	22.6	21.9
Xerox	377	13.3	–62.4	596	9.7	3.3
Air Prods & Chems	378	13.3	2.7	628	9.0	9.6
Equifax	379	13.3	0.6	576	10.2	9.9
NCR	380	13.1	9.0	629	9.0	3.4
Affiliated Pubs	381	13.0	–28.1	475	12.1	3.1
May Dept Stores	382	13.0	15.7	892	2.9	–3.8
Genuine Parts	383	13.0	5.2	719	7.2	5.7
Manufacturers Natl	384	12.9	1.0	465	12.3	3.8
Bowater	385	12.9	–36.3	462	12.4	–3.8
Molex	386	12.8	14.2	215	20.2	7.8
Durr-Fillauer	387	12.8	1.2	373	14.3	17.3
Geico	388	12.7	36.6	371	14.3	–1.7
Rockwell Intl	389	12.7	–10.8	826	4.7	–4.1
Hubbell	390	12.7	9.7	732	6.9	10.6
Block Drug	391	12.7	11.3	450	12.6	11.4
Banc One	392	12.7	12.8	343	15.1	9.0
Blair	393	12.7	22.2	696	7.6	10.1
RPM	394	12.6	11.6	230	19.3	21.3
SunTrust Banks	395	12.6	6.6	685	7.9	4.8
Alltel	396	12.6	11.6	369	14.3	32.6
Wallace Computer Svs	397	12.5	5.7	483	11.9	4.6
C&S/Sovran	398	12.4	–29.4	467	12.3	6.5
Household Intl	399	12.4	–10.5	1056	–14.2	27.8
HomeFed	400	12.3	P-D	406	13.5	4.3
Puget Sound P&L	401	12.3	–12.6	796	5.4	4.2
Dover	402	12.3	11.9	561	10.5	4.9
Deluxe	403	12.3	12.6	366	14.4	7.1
Gannett	404	12.3	–0.4	438	12.9	1.5
Rhône-Poulenc Rorer	405	12.3	P-D	167	24.1	100.9
Quaker Oats	406	12.2	–30.5	457	12.5	–6.6
Longs Drug Stores	407	12.1	4.1	632	9.0	9.8
Pep Boys	408	12.0	4.4	254	18.2	20.7
National City	409	12.0	1.6	414	13.4	6.3
Union Electric	410	12.0	28.9	695	7.6	3.7
Phillips-Van Heusen	411	12.0	–5.2	839	4.4	8.8
American Family	412	11.9	33.7	133	27.0	6.1

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WHO'S WHERE IN GROWTH

	—Earnings per share—			—Sales—		
Company	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %
Walgreen	413	11.8	13.2	351	14.8	12.4
Sherwin-Williams	414	11.7	11.6	NR	NM	6.4
Equitable of Iowa	415	11.7	2.9	611	9.5	13.3
US Bancorp	416	11.5	19.3	261	18.0	17.3
Fleet/Norstar Finl	417	11.4	–76.4	284	17.1	13.8
Society	418	11.3	–0.2	497	11.7	43.2
Martin Marietta	419	11.3a	38.7	665	8.4	8.5
General Electric	420	11.3	13.4	445	12.7	6.4
SPX	421	11.2	–77.3	729	6.9	–1.9
South Carolina Natl	422	11.2	–4.8	370	14.3	7.1
Donaldson	423	11.2	34.0	590	9.9	6.4
MCA	424	11.2	0.0	361	14.5	14.5
Rite Aid	425	11.2	6.8	235	19.0	8.9
RR Donnelley & Sons	426	11.1	3.2	501	11.6	5.6
Barnett Banks	427	11.0	–34.8	277	17.5	10.0
Marriott	428	11.0	–52.4	272	17.6	3.2
Marshall & Ilsley	429	11.0	–3.0	436	13.0	8.3
Dayton Hudson	430	10.8	28.8	514	11.4	8.3
Federal Express	431	10.8	–15.1	126	27.6	27.0
American Express	432	10.8	–75.3	228	19.5	–2.5
Alexander & Alexander	433	10.8b	–19.6	598	9.7	6.0
SCI Systems	434	10.8	118.2	303	16.4	12.3
GM Hughes Electronics	435	10.7	–6.3	798	5.4	1.7
Leggett & Platt	436	10.7	0.4	248	18.4	11.8
Tambrands	437	10.7	–68.0	634	8.9	5.2
Weis Markets	438	10.6	0.5	808	5.2	2.0
Nalco Chemical	439	10.6	13.1	539	11.0	11.5
Textron	440	10.6	4.3	173	23.6	6.5
Charming Shoppes	441	10.5	–15.3	187	22.3	10.7
United Stationers	442	10.5	–48.1	292	16.9	2.5
Quantum	443	10.4	66.5	123	27.9	78.1
Liberty Corp	444	10.4	154.0	599	9.7	3.6
Hewlett-Packard	445	10.3	–13.1	359	14.6	11.2
Raychem	446	10.2	P-D	426	13.2	6.9
UJB Financial	447	10.2	–72.0	365	14.4	12.7
Moore Corp	448	10.2	–25.7	753	6.4	6.0
Standard Products	449	10.1	–63.9	535	11.0	9.8
Zurn Industries	450	10.1	5.1	552	10.7	17.9
Collins Foods Intl	451	10.1	0.0	755	6.3	8.8
Leucadia National	452	10.1	272.1	103	30.4	–8.3
Midlantic	453	10.1	P-D	398	13.8	15.5
Mercantile Stores	454	10.0	–2.7	757	6.3	2.2
Mobil	455	9.9	–7.7	971	–2.4	20.1
Masco	456	9.9	–32.8	138	26.5	8.2
SouthTrust	457	9.9	–4.6	320	15.9	14.4
Pentair	458	9.9	–24.8	304	16.4	6.1
Rollins	459	9.8	16.3	652	8.6	7.7
Kentucky Central Life	460	9.8a	–37.8	307	16.3a	11.8
Ameron	461	9.8	4.0	635	8.9	7.3
Coca-Cola Enterprises	462	9.8	–24.1	72	38.3	3.8
Nucor	463	9.7	–30.4	415	13.4	16.5
Ameritrust	464	9.7	–95.4	425	13.2	8.0
AG Edwards	465	9.7	6.1	477	12.0	14.3
Piedmont Natural Gas	466	9.5	0.8	933	1.4	–5.0
Clorox	467	9.5	17.4	746	6.5	9.1
United Technologies	468	9.5	18.7	835	4.5	7.5
Cincinnati G&E	469	9.5	4.8	NR	NM	4.7
Kimball International	470	9.4	14.2	418	13.3	–1.6
Tandy	471	9.4	–4.7	621	9.3	8.8
Mapco	472	9.4	38.0	NR	NM	26.2
Betz Laboratories	473	9.4	16.0	517	11.4	13.8
Wetterau	474	9.3	12.1	515	11.4	6.4

	—Earnings per share—			—Sales—		
Company	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %
Security Pacific	475	9.3	–5.9	347	14.9	7.3
Pitney Bowes	476	9.3	–44.9	510	11.5	11.8
Curtice Burns Foods	477	9.1	–61.5	819	5.0	9.8
Consol Freightways	478	9.1	P-D	326	15.7	17.9
Teledyne	479	9.0a	–38.1	945	0.8	–4.9
Stanley Works	480	9.0	0.8	435	13.0	2.1
Centex	481	8.9	13.9	555	10.7	15.9
AMR	482	8.9	–60.4	381	14.1	10.1
Dean Foods	483	8.9	3.5	424	13.2	20.2
Emerson Electric	484	8.9	4.6	490	11.9	7.1
Interlake	485	8.8	P-D	922	1.9	–12.2
National Service	486	8.7	5.2	726	7.0	7.0
Super Valu Stores	487	8.7	8.6	566	10.5	5.7
Village Super Market	488	8.6	–7.9	329	15.6	3.5
Flowers Industries	489	8.6	24.7	790	5.7	3.2
So N England Telecom	490	8.6	–25.2	781	5.8	–2.1
Universal	491	8.5	–18.5	135	26.9	–1.0
Banta	492	8.5	–50.0	367	14.4	3.7
Ruddick	493	8.4	15.0	536	11.0	9.3
Rohm & Haas	494	8.4	–3.4	768	5.9	5.2
Burlington Coat	495	8.4	7.1	275	17.5	20.4
E-Systems	496	8.3	3.1	352	14.8	11.9
Lance	497	8.3	16.4	821	4.9	2.0
Coastal Corp	498	8.3	2.4	794	5.4	5.8
Salem Carpet Mills	499	8.3	–53.1	518	11.4	10.0
First Wachovia	500	8.2	10.3	720	7.1	5.7
Grey Advertising	501	8.2	–0.9	315	16.0	9.7
Thomas & Betts	502	8.2	–14.1	434	13.0	10.8
Gibson Greetings	503	8.1	1.6	653	8.6	15.8
BayBanks	504	8.1	P-D	364	14.5	–0.3
Hechinger	505	8.0	–6.1	148	25.8	19.7
Golden West Finl	506	7.8	17.2	626	9.1	14.3
Rykoff-Sexton	507	7.8	–44.4	327	15.7	7.[illegible]
Dibrell Brothers	508	7.7	–23.4	372	14.3	11.[illegible]
Huntington Bcshs	509	7.7	–24.1	449	12.6	15.1
Kentucky Utilities	510	7.6	20.6	950	0.4	6.0
Dominion Bankshares	511	7.4	–84.4	237	19.0	8.2
HB Fuller	512	7.4	27.8	488	11.9	4.6
St Joe Paper	513	7.4a	NA	668	8.3a	NA
Talley Industries	514	7.2	–68.1	812	5.1	2.6
Strawbridge	515	7.1	5.4	638	8.9	6.7
Campbell Soup	516	7.1	5.0	666	8.4	7.1
Dexter	517	7.0	–2.9	705	7.5	4.8
Pennsylvania P&L	518	7.0	16.6	728	6.9	8.3
Central Newspapers	519	6.9	–0.8	815	5.0	2.2
Pfizer	520	6.9	0.2	650	8.6	10.3
Pacific Telesis	521	6.8	2.1	851	4.0	2.1
Times Mirror	522	6.8	–34.9	842	4.3	2.6
VF	523	6.7	–13.9	243	18.6	4.6
Nashua	524	6.7	19.9	NR	NM	–13.4
SPS Technologies	525	6.7	–94.4	534	11.0	–1.2
Ameritech	526	6.6	7.5	855	3.8	4.5
Herman Miller	527	6.6	14.5	385	14.0	10.3
Standard Register	528	6.4	–2.3	451	12.6	0.9
Atlantic Energy	529	6.4	–6.2	802	5.3	4.5
US West	530	6.3	11.1	785	5.7	3.8
Thomas Industries	531	6.2	–5.4	715	7.2	15.8
Old Kent Financial	532	6.2	3.7	346	14.9	3.9
TRW	533	6.0b	–10.3	829	4.6	12.5
Eaton	534	6.0	–7.8	NR	NM	–0.5
First Union	535	5.9	–8.6	282	17.3	20.7
NWNL	536	5.9a	11.8	639	8.9a	–1.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. NR: Not ranked. a: Four-year average. b: Three-year average.

	—Earnings per share—			—Sales—		
Company	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %
GTE	537	5.9b	12.1	890	3.1	6.7
Potomac Electric	538	5.9	–15.9	908	2.3	1.5
Oklahoma G&E	539	5.8	18.0	930	1.5	12.5
Houghton Mifflin	540	5.8	17.3	581	10.0	8.8
Hawaiian Electric	541	5.7	–15.2	778	5.8	13.1
KeyCorp	542	5.6	9.5	159	25.0	6.8
PacifiCorp	543	5.6	4.6	774	5.9	3.3
Wisconsin Energy	544	5.6	12.6	939	1.1	–3.4
Upjohn	545	5.5	–42.1	713	7.3	2.1
First of America Bank	546	5.4	–5.7	196	21.7	12.1
TECO Energy	547	5.4	4.3	709	7.4	2.2
LADD Furniture	548	5.3	–60.4	255	18.2	26.7
American Electric	549	5.1	–5.7	949	0.5	5.7
La-Z-Boy Chair	550	5.1	–4.0	267	17.7	6.1
Southwest Gas	551	5.1	–19.3	404	13.6	2.3
Detroit Edison	552	5.1	D-P	832	4.6	4.0
EG&G	553	5.1	7.2	664	8.4	41.4
Lincoln National	554	5.1	–1.1	383	14.1	11.3
Modine Manufacturing	555	5.0	19.5	656	8.6	4.6
McKesson	556	5.0	–10.4	669	8.2	11.1
Dominion Resources	557	4.9	26.4	718	7.2	1.3
Ametek	558	4.9	2.5	387	13.9	14.5
Midwest Resources	559	4.9a	–22.5	793	5.5	–0.9
James River Corp Va	560	4.8	–78.2	174	23.4	–7.5
Minnesota Power & Lt	561	4.8	–20.8	898	2.7	2.2
Crestar Financial	562	4.7	–14.2	491	11.9	7.7
Square D	563	4.7	–9.5	830	4.6	–2.8
Tecumseh Products	564	4.7	–62.2	556	10.7	–2.0
Ipalco Enterprises	565	4.6	3.5	756	6.3	2.6
Intergraph	566	4.6	–9.5	328	15.7	18.4
Nash Finch	567	4.5	44.6	399	13.8	6.5
CoreStates Financial	568	4.5	–5.7	448	12.6	31.4
Florida Progress	569	4.4	–17.0	651	8.6	–3.8
USLife	570	4.4	–8.1	825	4.8	2.5
Duke Power	571	4.4	25.5	743	6.6	3.2
CILcorp	572	4.4	–20.2	981	–3.1	14.4
Hilton Hotels	573	4.4	–5.7	645	8.8	6.3
Guilford Mills	574	4.3	P-D	410	13.5	–13.9
BellSouth	575	4.3	3.7	676	8.1	2.5
Hughes Supply	576	4.2	–47.5	384	14.1	7.0
Aon	577	4.2	13.5	407	13.5	9.8
Genlyte Group	578	4.1	–13.2	704	7.5	0.3
Florida Rock Inds	579	4.0	–15.9	446	12.7	–7.3
PNC Financial	580	3.9	–52.5	136	26.7	8.1
IE Industries	581	3.8	92.5	957	–1.5	4.2
FPL Group	582	3.6	P-D	574	10.3	1.3
Baltimore G&E	583	3.6	–24.8	907	2.3	11.1
Lowe's Cos	584	3.4	12.8	648	8.7	10.6
UtiliCorp United	585	3.4	–2.1	119	28.4	19.1
Riggs National	586	3.3	–76.8	721	7.1	9.0
Southwestern Bell	587	3.3	2.5	874	3.4	4.6
Bell Atlantic	588	3.2	–13.8	733	6.9	6.6
Winn-Dixie Stores	589	3.1	10.3	824	4.8	6.1
Orange & Rockland	590	3.0	15.5	NR	NM	7.3
Parker Hannifin	591	2.9	15.6	374	14.3	0.0
Consolidated Edison	592	2.9	–7.3	955	–1.1	6.5
AmSouth Bancorp	593	2.7	–25.1	313	16.0	1.3
American General	594	2.4	18.1	764	6.2	5.6
Johnson Controls	595	2.4	–16.5	216	20.1	22.2
Pub Svc Enterprise	596	2.3	–3.5	925	1.7	5.4
SCEcorp	597	2.0	–5.7	735	6.9	3.5
No States Power	598	1.9	21.2	901	2.6	8.0

	—Earnings per share—			—Sales—		
Company	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %
American Water Works	599	1.8	–8.2	795	5.4	6.2
Meridian Bancorp	600	1.7	–70.9	291	16.9	18.7
Allegheny Power	601	1.3	–6.0	769	5.9	4.4
Iowa-Illinois G&E	602	0.6	–8.3	984	–3.4	3.3
WPL Holdings	603	–0.8	47.6	947	0.8	1.2
Southwestern Pub Svc	604	–2.0	11.4	952	–0.7	–3.7
National Fuel Gas	605	–2.5	–5.2	1014	–6.0	4.2
Consol Natural Gas	606	–2.7	1.1	1012	–5.9	9.7
DQE	607	–2.8	11.5	810	5.1	1.5
Kansas Power & Light	608	–3.0	–0.5	1001	–5.1	7.8
Boeing	609	–3.2	48.1	481	12.0	25.3
General Dynamics	610	–3.2	–85.3	809	5.2	2.6
Laclede Gas	611	–3.3	–40.2	1022	–6.9	–1.2
Exxon	612	–3.8	3.0	NR	NM	17.9
Houston Industries	613	–3.9	19.7	964	–2.2	8.7
Noland	614	–4.3	40.4	761	6.2	–3.7
Southern Company	615	–4.3	–30.1	864	3.5	7.4
Echlin	616	–4.4	6.3	290	17.0	10.1
Meredith	617	–4.5	0.0	474	12.1	–4.2
Whirlpool	618	–4.7	39.0	447	12.6	16.1
Commonwealth Energy	619	–4.7	–15.4	919	1.9	8.7
New England Electric	620	–4.9	116.5	917	1.9	14.4
First Tennessee Natl	621	–5.3	57.7	751	6.4	7.0
American Bankers	622	–5.8	48.2	489	11.9	16.1
Shoney's	623	–5.9	63.6	453	12.6	8.6
Diebold	624	–6.1	–16.8	NR	NM	3.6
IBP	625	–6.1b	11.7	673	8.1	6.3
Dynatech	626	–6.4	35.0	309	16.2	17.4
American Greetings	627	–6.7	54.6	722	7.0	6.7
Witco	628	–6.8	–61.4	923	1.8	0.4
Standard Motor Prods	629	–7.0	–50.9	380	14.2	19.6
Thiokol	630	–7.1	143.6	646	8.7	4.4
Northeast Utilities	631	–7.4	–3.4	NR	NM	6.4
Kaman	632	–7.6	137.8	615	9.4	3.6
Owens & Minor	633	–7.7	37.7	151	25.5	36.3
Ohio Edison	634	–7.7	37.5	773	5.9	2.7
IBM	635	–7.8	–22.9	754	6.4	5.1
Oxford Industries	636	–7.9	–46.2	NR	NM	–5.5
Cigna	637	–8.2b	–16.4	772	5.9	13.6
Ball Corp	638	–8.4	94.0	921	1.9	18.6
Bassett Furniture Inds	639	–8.6	–46.6	862	3.6	–4.2
Emerson Radio	640	–8.6	P-D	301	16.5	–7.6
Trinova	641	–8.6	80.4	NR	NM	0.1
Rohr Industries	642	–8.7	11.1	492	11.9	10.5
Grumman	643	–9.1	9.5	784	5.7	1.8
Commonwealth Ed	644	–9.3	P-D	875	3.4	–9.2
Pacific G&E	645	–9.5	225.0	NR	NM	8.0
Dollar General	646	–10.2	16.4	847	4.1	4.9
Equitable Resources	647	–10.3	–2.5	973	–2.7	39.3
American Stores	648	–10.4	86.4	499	11.6	6.3
Bindley Western Inds	649	–10.6	20.3	165	24.2	28.0
First American Corp	650	–10.9	P-D	409	13.5	1.4
Centerior Energy	651	–11.0	D-P	823	4.8	5.0
NY State E&G	652	–11.3	–0.4	848	4.1	5.1
Yellow Freight Sys	653	–11.3	–59.8	600	9.7	4.6
Questar	654	–11.8	7.4	1019	–6.6	5.9
Hartmarx	655	–11.8	P-D	880	3.3	3.8
Circle K	656	–11.9	P-D	172	23.7	–0.6
Citicorp	657	–11.9	P-D	430	13.1	10.0
Carolina Freight	658	–12.0	P-D	716	7.2	6.6
Jamesway	659	–12.7	P-D	439	12.9	9.7
Public Service NM	660	–13.1	D-P	484	11.9	–4.1

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. NR: Not ranked. a: Four-year average. b: Three-year average.

WHO'S WHERE IN GROWTH

	—Earnings per share—			—Sales—		
Company	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %
US Shoe	661	–13.3	126.7	688	7.9	13.2
Burlington Northern	662	–13.5	88.5	928	1.6	1.6
Bank of Boston	663	–13.8	P-D	311	16.2	1.2
Universal Health	664	–14.0	[illegible].2	513	11.4	6.4
McGraw-Hill	665	–14.2	–[illegible].2	792	5.6	6.8
Central Hudson G&E	666	–14.2	3.5	974	–2.8	8.3
Brown Group	667	–14.5	245.6	838	4.4	2.7
Rose's Stores	668	–14.9	–14.6	547	10.8	5.0
Ogden	669	–15.0b	–10.3	NR	NM	19.8
Harcourt Brace	670	–15.0	D-P	149	25.7	4.4
Fuqua Industries	671	–15.1	D-P	915	2.1	1.5
AH Belo	672	–15.2	49.4	911	2.3	7.0
Media General	673	–15.3	D-P	846	4.2	–1.5
Rochester G&E	674	–15.7	4.6	932	1.4	4.6
Ryder System	675	–15.9	15.4	296	16.7	1.9
Petrie Stores	676	–16.3	–23.9	828	4.6	3.0
Harris Corp	677	–17.6	352.9	NR	NM	21.7
Chrysler	678	–18.2	P-D	458	12.5	–20.4
Consolidated Rail	679	–18.2	–50.1	942	1.0	–4.0
Adolph Coors	680	–18.3	2.1	670	8.2	13.1
Rouse	681	–18.4	P-D	209	20.6	6.0
Oneok	682	–19.0	–6.2	1053	–13.9	8.0
Travelers	683	–19.0	P-D	841	4.4	–5.0
Arvin Industries	684	–19.3	184.2	324	15.8	13.2
Occidental Petroleum	685	–19.4	35.0	742	6.6	1.9
Quaker State	686	–19.6	12.3	975	–2.8	5.3
FirstFed Michigan	687	–20.1	491.7	924	1.8	–4.0
American Natl Ins	688	–20.2	–5.7	752	6.4	2.1
Harsco	689	–20.3	D-P	884	3.2	15.9
Culbro	690	–22.2	D-P	NR	NM	3.0
Chevron	691	–22.8	–55.0	1036	–9.5	22.9
USG	692	–23.7	–92.3	NR	NM	–3.8
First Fidelity Bncp	693	–23.9	D-D	528	11.2	3.1
Niagara Mohawk Power	694	–24.0	66.2	943	0.9	9.0
McDonnell Douglas	695	–24.8	192.4	642	8.8	9.1
Unocal	696	–25.3	–21.1	NR	NM	0.7
Tektronix	697	–25.5	P-D	941	1.0	–0.7
Sun Company	698	–27.7	–89.3	1037	–9.5	12.7
Storage Technology	699	–28.2b	31.6	797	5.4	16.0
United Banks of Colo	700	–28.8	P-D	748	6.5	6.4
Turner Corp	701	–30.8	500.0 +	335	15.4	–5.3
USF&G	702	–32.5b	142.9	582	10.0	1.1
Cabot	703	–33.9b	396.4	883	3.2	–13.6
Texas Industries	704	–38.0	D-P	300	16.6	–4.1
Lionel	705	–41.3	P-D	689	7.9	3.5
Acme Steel	NR	NM	–73.2	472	12.2	4.1
Advanced Micro	NR	NM	D-D	879	3.3	1.0
ADVO-System	NR	NM	179.4	532	11.1	6.0
Airborne Freight	NR	NM	103.1	262	17.9	25.5
Alaska Air Group	NR	NM	–37.9	190	22.0	13.9
Allen Group	NR	NM	–25.8	NR	NM	3.1
Allied Products	NR	NM	D-D	288	17.0	–13.2
Allied-Signal	NR	NM	–4.3	859	3.7	3.1
AM International	NR	NM	P-D	612	9.5	3.1
AMAX	NR	NM	–63.0	265	17.8	–6.7
AMC Entertainment	NR	NM	P-D	336	15.4	–5.9
Amerada Hess	NR	NM	–32.0	1038	–9.8	14.7
America West Airlines	NR	NM	P-D	41	51.4	34.6
American Building	NR	NM	11.1	529	11.2	6.7
American Capital	NR	NM	D-D	108	29.6	–19.2
American Maize	NR	NM	–41.8	822	4.9	–6.7
American Petrofina	NR	NM	–34.2	738	6.8	19.9

	—Earnings per share—			—Sales—		
Company	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %
American President	NR	NM	P-D	210	20.6	–1.5
Ames Dept Stores	NR	NM	D-D	71	39.0	–9.4
Amoco	NR	NM	3.1	985	–3.4	9.7
Ampco-Pittsburgh	NR	NM	D-P	1055	–14.1	–4.1
Anacomp	NR	NM	P-D	50	45.3	3.1
Analog Devices	NR	NM	–70.4	655	8.6	0.0
Applied Materials	NR	NM	–22.1	158	25.0	20.3
Arkla	NR	NM	D-P	245	18.6	14.1
Armco	NR	NM	P-D	1034	–9.5	–38.8
Arrow Electronics	NR	NM	D-P	623	9.2	5.0
Asarco	NR	NM	–15.5	412	13.4	–3.9
Ashland Oil	NR	NM	111.0	NR	NM	6.4
AST Research	NR	NM	D-P	49	46.2	20.1
Atari	NR	NM	D-P	95	31.6a	6.1
Guy F Atkinson	NR	NM	D-D	NR	NM	4.0
Atlanta Gas Light	NR	NM	6.3	1003	–5.3	6.6
Avnet	NR	NM	–1.2	850	4.1	–6.1
Avon Products	NR	NM	–42.3	905	2.4	2.5
Avondale Industries	NR	NM	P-D	573	10.3	8.2
Baker Hughes	NR	NM	65.6	1023	–7.3	12.3
Balfour Maclaine	NR	NM	P-D	220	19.8	–25.7
Bally Manufacturing	NR	NM	P-D	595	9.7	4.6
Bank of New England	NR	NM	P-D	225	19.7	–24.4
Bank of New York	NR	NM	D-P	152	25.5	7.6
BankAmerica	NR	NM	–19.5	1013	–6.0	4.3
Bankers Trust NY	NR	NM	D-P	663	8.4	7.3
Barnes Group	NR	NM	–30.0	926	1.7	7.7
Bell Industries	NR	NM	53.8	682	8.0	–2.7
Beneficial Corp	NR	NM	24.3	995	–4.7	7.0
Best Buy Co	NR	NM	500.0 +	31	60.3	20.7
Bethlehem Steel	NR	NM	–66.6	NR	NM	–10.9
Beverly Enterprises	NR	NM	D-P	699	7.5	0.6
Big B	NR	NM	P-D	205	21.0	25.0
Black & Decker	NR	NM	253.8	388	13.9	35.9
Blockbuster	NR	NM	70.2	NR	NM	79.3
Boatmen's Bancshares	NR	NM	60.0	834	4.5	3.7
Borden	NR	NM	D-P	460	12.4	0.9
Boston Edison	NR	NM	P-D	NR	NM	–0.2
Briggs & Stratton	NR	NM	D-P	759	6.2	14.0
Bristol-Myers Squibb	NR	NM	–30.8	498	11.7	10.6
Broad	NR	NM	500.0 +	231	19.2a	37.4
Brooklyn Union Gas	NR	NM	–15.1	969	–2.3	2.5
Brunswick	NR	NM	D-P	233	19.2	–12.3
Businessland	NR	NM	P-D	26	61.9	9.2
Cablevision Systems	NR	NM	D-D	69	39.9	11.7
CalFed	NR	NM	P-D	675	8.1	–22.5
Carl Karcher	NR	NM	–67.8	592	9.8	6.7
Carlisle Cos	NR	NM	4.2	904	2.6	7.0
Carolina Power & Lt	NR	NM	–17.2	783	5.8	5.1
Carpenter Technology	NR	NM	50.0	906	2.4	–8.0
Carter Hawley Hale	NR	NM	P-D	NR	NM	2.5
Central & So West	NR	NM	19.2	960	–1.9	7.1
Central Maine Power	NR	NM	23.1	736	6.8	9.7
Charter	NR	NM	P-D	1068	–28.6	–11.1
Chase Manhattan	NR	NM	D-D	697	7.6	0.8
Chemed	NR	NM	–23.1	538	11.0	0.6
Chemical Banking	NR	NM	D-P	672	8.1	–1.4
Child World	NR	NM	–98.8	357	14.6	1.4
Cincinnati Milacron	NR	NM	–67.9	817	5.0	–0.1
Cipsco	NR	NM	–16.0	989	–3.7	1.0
Clark Equipment	NR	NM	7.5	597	9.7	7.1
CMS Energy	NR	NM	–28.8	972	–2.5	0.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. NR: Not ranked. a: Four-year average. b: Three-year average.

	—Earnings per share—			—Sales—		
Company	**rank**	**5-year average %**	**latest 12 mos %**	**rank**	**5-year average %**	**latest 12 mos %**
Coachmen Industries	**NR**	NM	D-D	**1011**	–5.7	–15.3
Coast Savings Finl	**NR**	NM	D-D	**417**	13.3	–6.5
Columbia S&L Assn	**NR**	NM	D-D	**542**	10.9	–60.1
Comcast	**NR**	NM	D-D	**47**	46.6	21.9
Comdisco	**NR**	NM	–18.7	**134**	26.9	15.3
Commerce Clearing	**NR**	NM	–11.0	**571**	10.4	5.3
Commercial Federal	**NR**	NM	P-D	**191**	22.0	–22.9
Commercial Intertech	**NR**	NM	–50.3	**234**	19.1	3.1
Communications Trans	**NR**	NM	D-D	**14**	77.8	–2.9
Conner Peripherals	**NR**	NM	130.7		NA	99.0
Consolidated Stores	**NR**	NM	P-D	**29**	61.3	2.5
Contel	**NR**	NM	–16.4	**804**	5.3	7.2
Continental Airlines	**NR**	NM	D-D	**51**	45.1	–5.2
Continental Bank	**NR**	NM	P-D	**NR**	NM	–17.0
Continental Corp	**NR**	NM	D-P	**813**	5.1	–5.6
Control Data	**NR**	NM	D-D	**987**	–3.6	–46.6
Cross & Trecker	**NR**	NM	D-D	**678**	8.0	–5.7
CrossLand Savings FSB	**NR**	NM	D-D	**508**	11.5	–19.9
Crown Central Pet	**NR**	NM	–44.4	**991**	–3.9	64.0
CSX	**NR**	NM	4.1	**NR**	NM	3.8
Cummins Engine	**NR**	NM	D-D	**557**	10.6	–3.0
Dairy Mart	**NR**	NM	110.7	**63**	42.2	–10.1
Dana	**NR**	NM	–40.7	**637**	8.9	–0.5
Data General	**NR**	NM	D-D	**899**	2.7	–7.5
Datapoint	**NR**	NM	D-D	**1040**	–10.1	–14.5
Deere & Co	**NR**	NM	21.5	**408**	13.5a	12.5
Delchamps	**NR**	NM	11.6	**604**	9.6	5.9
Delmarva Power & Lt	**NR**	NM	1.8	**913**	2.2	4.9
DeSoto	**NR**	NM	D-P	**NR**	NM	5.7
Diamond Shamrock	**NR**	NM	–0.7	**977**	–2.9	22.8
Dime Savings Bank FSB	**NR**	NM	P-D	**519**	11.4	–3.0
Diversified Energies	**NR**	NM	–74.2	**970**	–2.3	–7.5
Douglas & Lomason	**NR**	NM	D-P	**577**	10.2	5.6
Dravo	**NR**	NM	D-P	**1067**	–25.1	5.1
Dresser Industries	**NR**	NM	6.8	**NR**	NM	9.2
Dun & Bradstreet	**NR**	NM	–9.2	**429**	13.1	8.7
DWG	**NR**	NM	D-D	**411**	13.4	2.9
Eagle-Picher Inds	**NR**	NM	D-P	**888**	3.1	–7.6
Eastman Kodak	**NR**	NM	–65.1	**431**	13.1	3.3
Egghead	**NR**	NM	D-P	**5**	104.8	20.8
El Paso Electric	**NR**	NM	D-D	**558**	10.6	5.2
Engelhard	**NR**	NM	P-D	**NR**	NM	17.8
Enron	**NR**	NM	107.5	**1017**	–6.3	21.2
Enserch	**NR**	NM	56.5	**1004**	–5.3	4.1
Enstar Group	**NR**	NM	D-P	**59**	43.5	–40.2
Entergy	**NR**	NM	D-P	**882**	3.3	6.3
ERLY Industries	**NR**	NM	D-P	**319**	15.9	7.1
Family Dollar Stores	**NR**	NM	33.3	**281**	17.3	15.5
Federal-Mogul	**NR**	NM	–60.4	**801**	5.3	–0.7
Finevest Foods	**NR**	NM	D-D	**83**	34.8b	3.6
First American Finl	**NR**	NM	7.3	**294**	16.8	3.5
First Bank System	**NR**	NM	D-D	**NR**	NM	8.4
First Executive	**NR**	NM	P-D	**693**	7.7	–60.1
First Interstate Bncp	**NR**	NM	P-D	**816**	5.0	–7.0
First Mississippi	**NR**	NM	–39.1	**658**	8.5	16.7
Fleetwood Enterprises	**NR**	NM	–23.7	**894**	2.8	–2.7
Fleming Cos	**NR**	NM	9.5	**314**	16.0	–3.6
Fluor	**NR**	NM	29.5	**745**	6.6	14.9
Foodarama Supermkts	**NR**	NM	130.2	**831**	4.6	20.1
Foremost Corp of Amer	**NR**	NM	P-D	**NR**	NM	–4.5
LB Foster	**NR**	NM	–45.7	**1043**	–10.5	–2.1
Foster Wheeler	**NR**	NM	16.9	**968**	–2.3	20.1

	—Earnings per share—			—Sales—		
Company	**rank**	**5-year average %**	**latest 12 mos %**	**rank**	**5-year average %**	**latest 12 mos %**
Fremont General	**NR**	NM	314.0	**NR**	NM	31.2
Fruit of the Loom	**NR**	NM	2.7	**253**	18.2	17.0
General Host	**NR**	NM	D-P	**998**	–5.0	5.4
General Motors	**NR**	NM	P-D	**776**	5.8	–1.4
General Signal	**NR**	NM	–62.0	**NR**	NM	–7.8
Genesco	**NR**	NM	–62.5	**993**	–4.6	0.9
Genovese Drug Stores	**NR**	NM	–28.3	**392**	13.9	6.7
Goodyear	**NR**	NM	P-D	**914**	2.1	2.2
Goulds Pumps	**NR**	NM	–93.8	**482**	11.9	8.2
WR Grace	**NR**	NM	–14.9	**NR**	NM	7.9
Great American Bank	**NR**	NM	D-D	**289**	17.0	–16.2
Great American Mgmt	**NR**	NM	500.0+	**32**	60.1	27.7
Gt Western Financial	**NR**	NM	–52.2	**896**	2.7	10.3
Greyhound Dial	**NR**	NM	–85.7	**881**	3.3	0.2
Grossman's	**NR**	NM	–59.4	**994**	–4.7	–29.8
Grow Group	**NR**	NM	P-D	**584**	10.0	0.3
Gulf States Utils	**NR**	NM	D-D	**NR**	NM	4.7
Hadson	**NR**	NM	D-D	**18**	72.5	–29.2
Halliburton	**NR**	NM	90.2	**NR**	NM	24.1
Handy & Harman	**NR**	NM	–22.5	**910**	2.3	–13.7
MA Hanna	**NR**	NM	–42.3	**42**	51.0	3.7
Harken Energy	**NR**	NM	P-D	**NR**	NM	–16.1
Harnischfeger Inds	**NR**	NM	44.1	**97**	31.2	25.4
Hasbro	**NR**	NM	–3.3	**537**	11.0	4.1
Healthco Intl	**NR**	NM	P-D	**545**	10.9	5.7
Hercules	**NR**	NM	P-D	**869**	3.5	2.8
Hexcel	**NR**	NM	–96.9	**251**	18.2	1.2
Highland Superstores	**NR**	NM	D-D	**211**	20.6	–0.5
Hills Dept Stores	**NR**	NM	D-D	**725**	7.0	16.9
Holnam	**NR**	NM	P-D	**213**	20.5	–0.3
Home Shopping	**NR**	NM	D-P	**25**	64.1b	30.2
Homestead Financial	**NR**	NM	D-D	**820**	4.9	–39.0
Honeywell	**NR**	NM	D-P	**NR**	NM	–2.1
Horn & Hardart	**NR**	NM	D-D	**643**	8.8	20.6
Hudson Foods	**NR**	NM	–64.7	**101**	30.9	7.4
Huffy	**NR**	NM	25.4	**575**	10.3	19.5
Humana	**NR**	NM	20.3	**325**	15.7	18.7
Illinois Power	**NR**	NM	D-P	**934**	1.3	5.6
Imcera Group	**NR**	NM	–21.4	**1015**	–6.1	38.3
Imo Industries	**NR**	NM	–20.1	**279**	17.5	34.1
INB Financial	**NR**	NM	–22.9	**400**	13.7	3.7
Inco	**NR**	NM	–36.2	**170**	23.9	–20.4
Independent Insurance	**NR**	NM	–11.8	**833**	4.5	4.7
Inspiration Resource	**NR**	NM	–87.0	**636**	8.9	2.5
Instrument Systems	**NR**	NM	D-P	**114**	28.9	14.3
Intel	**NR**	NM	60.8	**250**	18.4	27.4
Interco	**NR**	NM	P-D	**1025**	–7.5	–23.1
Intermark	**NR**	NM	D-D	**397**	13.8	43.4
Intl Multifoods	**NR**	NM	–11.8	**500**	11.6	8.4
Itel	**NR**	NM	82.6	**10**	85.3	11.1
Jefferson-Pilot	**NR**	NM	29.2	**929**	1.5	1.6
Kmart	**NR**	NM	–54.5	**731**	6.9	13.7
Kansas City P&L	**NR**	NM	18.9	**800**	5.3	5.7
Kansas City Southern	**NR**	NM	D-P	**938**	1.1	2.7
Kansas Gas & Elec	**NR**	NM	19.6	**766**	6.1	9.2
Kerr Glass Mfg	**NR**	NM	D-D	**887**	3.1	5.3
Kerr-McGee	**NR**	NM	–12.4	**990**	–3.7	15.6
KN Energy	**NR**	NM	D-P	**1010**	–5.7	13.4
Kroger	**NR**	NM	D-P	**861**	3.7	7.3
LA Gear	**NR**	NM	–13.4	**NR**	NM	70.9
Landmark Land	**NR**	NM	P-D	**200**	21.3	–12.1
LG&E Energy	**NR**	NM	–16.9	**NR**	NM	5.0

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. NR: Not ranked. a: Four-year average. b: Three-year average.

WHO'S WHERE IN GROWTH

	—Earnings per share—			—Sales—		
Company	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %
Lifetime	NR	NM	254.8	NR	NM	55.8
Litton Industries	NR	NM	2.6	927	[illegible]	3.2
LIVE Entertainment	NR	NM	–51.6	233	18.9	69.1
Lone Star Industries	NR	NM	P-D	1063	–20.8	–21.6
Lone Star Tech	NR	NM	D-D	486	11.9	–8.8
Long Island Lighting	NR	NM	D-P	889	3.1	6.4
Louisiana Land	NR	NM	8.0	1046	–11.4	15.4
LSI Logic	NR	NM	D-P	60	43.4	15.5
LTV	NR	NM	–50.8	966	–2.3	–5.4
LVI Group	NR	NM	D-D	27	61.8	–24.2
M/A-Com	NR	NM	P-D	1052	–13.6	–15.1
Magma Copper	NR	NM	17.2	206	20.9	20.0
MAI Systems	NR	NM	D-P	583	10.0	346.1
Manor Care	NR	NM	25.4	610	9.5	13.8
Manufacturers Hanover	NR	NM	D-P	NR	NM	–10.6
Mattel	NR	NM	36.2	843	4.3	20.3
Maxtor	NR	NM	109.1	28	61.7	57.3
Maxus Energy	NR	NM	D-D	1059	–17.1	11.0
Maxxam	NR	NM	134.9	13	79.2	12.1
Maytag	NR	NM	–24.7	593	9.8	13.1
McCaw Cellular	NR	NM	D-P	4	105.4	100.8
McDermott Intl	NR	NM	D-D	1016	–6.2	2.6
MCI Communications	NR	NM	–49.5	140	26.3	19.3
MDC Holdings	NR	NM	D-D	141	26.2	–29.7
Mellon Bank	NR	NM	9.4	912	2.2	–2.5
Mercantile Bancorp	NR	NM	D-P	866	3.5	4.1
Meritor Savings Bank	NR	NM	D-D	NR	NM	–34.9
Merrill Lynch	NR	NM	P-D	405	13.6	–1.6
Fred Meyer	NR	NM	P-D	608	9.5	14.0
MicroAge	NR	NM	52.1	58	44.0	71.0
Micron Technology	NR	NM	–95.4	55	44.6	–25.3
Midway Airlines	NR	NM	P-D	120	28.3	32.1
Mine Safety Appliance	NR	NM	7.7	944	0.9	10.3
Mitchell Energy	NR	NM	90.9	1030	–7.8	12.0
MLX	NR	NM	P-D	NR	NM	1.6
Monarch Capital	NR	NM	P-D	473	12.1	–3.7
Montana Power	NR	NM	–2.3	702	7.5	6.9
JP Morgan & Co	NR	NM	D-P	659	8.5	2.1
Morgan Products Ltd	NR	NM	P-D	617	9.4	–3.6
Morrison Knudsen	NR	NM	D-P	NR	NM	–19.0
Morton International	NR	NM	57.4	703	7.5	20.6
Multimedia	NR	NM	30.0	633	8.9	4.1
Murphy Oil	NR	NM	104.6	1020	–6.7	12.4
Natl Convenience	NR	NM	D-D	877	3.4	–1.3
National Education	NR	NM	P-D	176	23.4	–12.6
National Intergroup	NR	NM	P-D	NR	NM	–4.6
National Medical	NR	NM	55.0	551	10.7	0.4
Natl Semiconductor	NR	NM	D-D	870	3.4	7.5
National-Standard	NR	NM	D-D	891	2.9	–7.9
Navistar Intl	NR	NM	P-D	NR	NM	–11.7
Newmont Mining	NR	NM	206.4	1009	–5.7	12.5
Nicor	NR	NM	11.1	1033	–8.9	1.5
Nipsco Industries	NR	NM	–38.9	1008	–5.6	1.0
Norfolk Southern	NR	NM	–1.7	814	5.1	0.3
Nortek	NR	NM	D-D	214	20.3	–4.9
Northeast Federal	NR	NM	D-D	530	11.2	–32.3
Northern Telecom	NR	NM	142.3	516	11.4	14.1
Northrop	NR	NM	D-P	739	6.6	–6.3
Nynex	NR	NM	–29.8	734	6.9	3.4
Old Republic Intl	NR	NM	107.6	368	14.4	7.6
Omnicom Group	NR	NM	14.1	601	9.6	19.2
Oneida	NR	NM	–41.1	585	10.0	1.4
Oracle Systems	NR	NM	–23.1	2	124.4	49.5
Orion Capital	NR	NM	–7.7	280	17.4	0.5
Oshkosh Truck	NR	NM	–89.4	562	10.5	13.5
Owens-Corning	NR	NM	–16.5	962	–2.1	13.4
Pacific Enterprises	NR	NM	P-D	747	6.5	5.4
PaineWebber Group	NR	NM	36.4	468	12.3	9.3
Pan Am	NR	NM	D-D	NR	NM	11.8
Panhandle Eastern	NR	NM	D-P	1026	–7.5	67.9
Pathe Communications	NR	NM	D-P	NR	NM	–25.6
Penn Central	NR	NM	–32.8	1044	–10.8	20.2
Pennzoil	NR	NM	P-D	978	–2.9	–15.2
Peoples Energy	NR	NM	–13.4	1032	–8.6	–1.9
Perini	NR	NM	156.8	936	1.2	25.9
Perkin-Elmer	NR	NM	D-P	1018	–6.5	6.8
Perry Drug Stores	NR	NM	500.0+	512	11.4	–2.4
Petroleum Heat & Pwr	NR	NM	D-D	273	17.6	21.4
Phelps Dodge	NR	NM	–61.6	109	29.2	–5.6
PHH	NR	NM	–27.0	117	28.7	9.1
Philadelphia Elec	NR	NM	–76.0	902	2.6	9.2
Phillips Petroleum	NR	NM	–92.4	1007	–5.6	3.2
Pic 'N' Save	NR	NM	–62.7	348	14.9	15.9
Pinkerton	NR	NM	NA	86	33.9a	NA
Pinnacle West	NR	NM	D-D	423	13.2	2.6
Pioneer Hi-Bred Intl	NR	NM	–24.6	885	3.2	11.2
Pittston	NR	NM	–53.9	763	6.2	7.6
Pittway	NR	NM	–15.7	560	10.6	12.1
Ply Gem Industries	NR	NM	–41.0	125	27.7	19.5
Portland General	NR	NM	–97.7	NR	NM	5.9
Premark Intl	NR	NM	–50.6	625	9.1	4.3
Premier Bancorp	NR	NM	D-P	903	2.6	–3.7
Preston	NR	NM	P-D	297	16.7	6.3
Procter & Gamble	NR	NM	12.6	533	11.1	14.5
Provident Life & Acc	NR	NM	31.9	349	14.8	1.9
PS Group	NR	NM	P-D	1066	–24.5	11.5
Public Service Colo	NR	NM	–6.9	953	–0.8	–5.4
Public Service NH	NR	NM	P-D	853	3.9	7.0
Quanex	NR	NM	–22.7	698	7.6	27.7
Reliance Group	NR	NM	D-P	402	13.7	12.6
Republic New York	NR	NM	D-P	252	18.2	6.8
Reynolds & Reynolds	NR	NM	–9.1	259	18.1	–1.1
Roadway Services	NR	NM	7.3	463	12.3	12.8
HH Robertson	NR	NM	D-D	1002	–5.3	3.1
Rochester Telephone	NR	NM	–20.1	662	8.5	8.4
Ross Stores	NR	NM	–23.8	153	25.5	10.2
Salant	NR	NM	P-D	181	22.7	–14.1
Salomon	NR	NM	15.0	459	12.5	14.8
San Diego G&E	NR	NM	20.5	786	5.7	–14.5
Santa Fe Pacific	NR	NM	P-D	1058	–16.3	–2.7
Savin	NR	NM	D-D	983	–3.3	0.8
Scana	NR	NM	50.5	NR	NM	2.9
Schlumberger	NR	NM	23.9	1005	–5.3	6.6
Scientific-Atlanta	NR	NM	8.6	765	6.1	5.4
EW Scripps	NR	NM	–27.2	607	9.5	3.3
Seagate Technology	NR	NM	11.2	54	44.9	84.1
Sears, Roebuck	NR	NM	13.5	737	6.8	4.5
Sequa	NR	NM	–9.6	182	22.7	19.8
Service Corp Intl	NR	NM	P-D	256	18.2	–0.1
Service Merchandise	NR	NM	–34.3	454	12.5	7.3
Shawmut National	NR	NM	P-D	321	15.9	–4.2
Signet Banking	NR	NM	–42.1	382	14.1	14.2
AO Smith	NR	NM	–43.0	895	2.8	–7.7
Smith International	NR	NM	D-P	1061	–18.5	16.6

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. NR: Not ranked. a: Four-year average. b: Three-year average.

	—Earnings per share—			—Sales—		
Company	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %
Sonat	NR	NM	–15.4	1042	–10.3	–11.5
Southdown	NR	NM	31.1	340	15.3	–9.5
Southeast Banking	NR	NM	P-D	587	9.9	0.2
Southwest Airlines	NR	NM	–20.0	493	11.8	15.8
Sprague Technologies	NR	NM	D-D	1021	–6.9	–19.7
Std Commercial	NR	NM	D-P	263	17.8	3.0
Standex International	NR	NM	16.8	858	3.7	7.0
Stewart & Stevenson	NR	NM	–1.3	221	19.7	13.3
Sudbury	NR	NM	–100.0	30	61.1	–14.4
Sundstrand	NR	NM	68.7	707	7.4	1.3
TCF Financial	NR	NM	P-D	NR	NM	–14.1
Tele-Communications	NR	NM	D-D	40	51.9	24.4
Tenneco	NR	NM	–29.4	961	–2.0	5.3
Teradyne	NR	NM	P-D	740	6.6	–9.6
Tesoro Petroleum	NR	NM	D-P	1064	–23.3	32.0
Texas Utilities	NR	NM	22.0	931	1.4	4.5
Thorn Apple Valley	NR	NM	P-D	965	–2.3	10.9
TIE/communications	NR	NM	D-D	1051	–13.1	–30.7
Time Warner	NR	NM	P-D	285	17.1	96.7
Timken	NR	NM	–55.1	690	7.9	–1.5
Tonka	NR	NM	P-D	48	46.5	–12.6
Tosco	NR	NM	161.9	999	–5.0	54.7
Town & Country	NR	NM	125.0	44	47.8	17.7
Transco Energy	NR	NM	D-P	1006	–5.6	19.1
Trinity Industries	NR	NM	–42.3	146	25.8	5.6
Tucson Electric	NR	NM	D-D	594	9.7	–16.5
Turner Broadcasting	NR	NM	D-D	102	30.4	34.1
UAL	NR	NM	–43.3	691	7.8	9.8
Union Carbide	NR	NM	–50.5	NR	NM	–2.3
Union Pacific	NR	NM	7.5	997	–4.9	12.1
Union Texas Petrol	NR	NM	–80.3	1057	–15.3	20.9
Unisys	NR	NM	D-D	242	18.7	1.4
UA Entertainment	NR	NM	D-D	177	23.3	33.7
United HealthCare	NR	NM	115.4	65	41.7	40.0
United Illuminating	NR	NM	D-P	946	0.8	9.8
United Merchants	NR	NM	D-D	988	–3.6	–29.9
US Healthcare	NR	NM	169.0	85	34.2	35.3
US Home	NR	NM	D-D	1031	–8.5	–11.6
United Telecom	NR	NM	–49.1	189	22.0	12.5
USAir Group	NR	NM	P-D	79	35.9	2.6
Uslico	NR	NM	–5.3	185	22.5	13.4
USX	NR	NM	–5.0	NR	NM	5.3
Valero Energy	NR	NM	50.9	1065	–23.3	28.2
Valley National	NR	NM	D-D	845	4.2	–5.1
Varian Associates	NR	NM	P-D	708	7.4	–6.5
Varity	NR	NM	37.9	401	13.7	39.8
Vista Chemical	NR	NM	–35.4	620	9.3	–7.7
Volt Info Sciences	NR	NM	–49.0	305	5.3	9.3
Vons Cos	NR	NM	D-P	339	15.3	3.2
Wackenhut	NR	NM	22.9	554	10.7	14.4
Wang Laboratories	NR	NM	D-D	744	6.6	–10.4
Washington Gas Light	NR	NM	3.3	963	–2.2	–2.7
Washington Mutual	NR	NM	–9.2	523	11.2	10.3
Washington National	NR	NM	D-P	299	16.6b	2.4
Weirton Steel	NR	NM	17.9	815	5.1	–10.3
Wendy's Intl	NR	NM	46.2	940	1.0	–4.6
Western Digital	NR	NM	–30.5	33	56.9	7.9
Western Union	NR	NM	D-D	1039	–10.0	–10.6
Westmark Intl	NR	NM	11.0	222	19.7	13.9

	—Earnings per share—			—Sales—		
Company	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %
Westmoreland Coal	NR	NM	9.2	951	–0.6	–5.7
Wheeling-Pittsburgh	NR	NM	–40.0	782	5.8	–6.1
Wholesale Club	NR	NM	58.1	21	67.9	38.7
Wicor	NR	NM	–28.8	980	–3.1	–5.7
Williams Cos	NR	NM	58.6	1054	–14.1	11.7
Winnebago Industries	NR	NM	D-D	937	1.2	–23.4
Wisconsin Public Svc	NR	NM	–0.5	958	–1.9	–4.6
WLR Foods	NR	NM	–21.5	630	9.0	7.2
Wyman-Gordon	NR	NM	D-D	1000	–5.0	15.7
Zenith Electronics	NR	NM	D-D	NR	NM	–24.2
Air & Water Tech		NA	D-D	479	12.0a	–4.2
Alleghany		NA	27.2	68	39.9	32.8
Allegheny Ludlum		NA	–28.2	494	11.8	–15.7
Allergan		NA	NA	130	27.1	4.7
American Medical		NA	D-D	674	8.1	–7.4
AmeriFirst Bank		NA	D-D	979	–3.1	–11.1
Anchor Savings Bank		NA	D-D	787	5.7	10.1
Baroid		NA	64.7	1049	–12.6	15.2
Beckman Instruments		NA	–15.3	616	9.4	0.5
Burlington Resources		NA	–49.0	1062	–20.4a	4.9
Cyclops Industries		NA	P-D	236	19.0	–11.3
Eagle Food Centers		NA	–11.9	959	–1.9	4.2
Eljer Industries		NA	–44.3	640	8.8	2.9
ESCO Electronics		NA	–73.1	806	5.2a	–10.2
First Brands		NA	–19.6		NA	–5.6
First City Bncp Texas		NA	NA		NA	NA
Foundation Health		NA	D-P	19	70.8b	11.5
Gaylord Container		NA	P-D		NA	–3.7
Goldome		NA	D-P	NR	NM	3.0
Henley Group		NA	NA		NA	41.0
Hillhaven		NA	NA	485	11.9a	10.3
ICH		NA	D-D		NA	–14.9
Illinois Central		NA	NA	1045	–10.9a	2.3
IMC Fertilizer Group		NA	–32.1	878	3.4	–6.9
InterTAN		NA	–40.2	421	13.3	7.6
Lyondell Petrochem		NA	NA	803	5.3	13.1
MCN		NA	–27.2	1035	–9.5	–6.3
Neiman Marcus Group		NA	300.0	393	13.9	15.1
Oryx Energy		NA	130.0	1060	–17.7	49.2
Penn Traffic		NA	D-D	81	35.7	40.4
People's Bank		NA	NA	588	9.9	4.8
Promus Cos		NA	NA	876	3.4	6.6
QVC Network		NA	P-D		NA	500.0+
Rexene		NA	NA	544	10.9	–21.8
Richfood Holding		NA	D-P	627	9.1	–11.7
Riser Foods		NA	D-P		NA	–2.6
Charles Schwab		NA	66.7	110	29.2	22.4
Smith Corona		NA	–41.2	266	17.8b	–14.7
Standard Fedl Bank		NA	–18.9	495	11.8	–3.8
Sterling Chemicals		NA	–39.5		NA	–12.9
Talman Home Federal		NA	–26.6	967	–2.3	–4.7
Tredegar Industries		NA	NA	865	3.5	–9.5
TW Holdings		NA	NA	147	25.8	3.6
UNC		NA	P-D	712	7.3	–15.2
Unitrin		NA	NA		NA	NA
UNUM		NA	38.3	564	10.5	9.5
Viacom		NA	P-D	80	35.8	10.6
Waban		NA	NA	46	47.1	19.4
Wheelabrator Tech		NA	–16.8	334	15.6a	–20.1

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. NR: Not ranked. a: Four-year average. b: Three-year average.

WHO'S WHERE IN

THE STOCK MARKET

Too bad the five-year performance period for these stocks didn't end last July.

By Timothy Dodman

THE DOW JONES INDUSTRIALS rose 94% between Dec. 31, 1985 and July 17, 1990—when they hit their alltime closing high of almost 3000. Since then, the market is off by 15%, giving it an overall five-year gain of nearly 66%, or 10.6% compounded annually.

This is a pretty good showing, but it masks weaknesses in the broader stock market. While the big-stock Dow did well, the small-stock Nasdaq was up less than 10% over the past five years—less than 2% on an annualized basis.

Despite the fact that our industry survey is weighted with big companies, the average issue in our stock market report—which excludes the biotechnology companies—did little better than the Nasdaq index. The average five-year increase of the 1,078 survey stocks ranked in our stock market report is only 12%. This isn't as good as the 38% risk-free return from Treasurys over the same period. Overall, 457 of the 1,078 stocks declined in price. Only 30% rose 50% or more, and just 55 stocks tripled or better. Not a very good showing for stocks in general.

Those with a historical perspective might take some comfort in the market's poor performance during the last part of 1990. Over the past 12 years there have not been two consecutive years of declining stock prices. If the record holds, 1991 ought to be a pretty good year for stocks.

Blockbuster Entertainment is the best-performing stock in our survey. This Fort Lauderdale, Fla.-based video rental company gained over 3,000% in five years. In 1985 Blockbuster was too small to make our list, and the video rental industry was in its infancy. Now Blockbuster is the largest of its kind, with 1,545 stores and around 15% of the $8 billion (sales) U.S. video rental market.

STOCK SCOREBOARD

Industry	Price change 5-year*	1-year†
Food, drink & tobacco	72.9%	–7.4%
Health	67.0	3.0
Chemicals	61.3	–14.7
Energy	49.5	–9.8
Consumer nondurables	30.0	–22.6
Electric utilities	20.1	–8.4
Forest products & packaging	15.4	–29.0
Business services & supplies	15.2	–33.3
Capital goods	14.1	–25.7
Materials	11.2	–31.8
Computers & communications	8.7	–21.2
Entertainment & information	8.4	–30.0
Transport	2.2	17.2
Retailing	1.9	–25.4
Travel	–8.5	–37.6
Aerospace & defense	–8.5	–18.4
Insurance	–10.5	–26.0
Consumer durables	–14.2	–30.4
Financial services	–29.6	–32.8
Construction	–31.1	–25.7
Dow industrials	65.5	–7.0
S&P 500	51.6	–9.3

*Price change from 12/31/85 to 11/14/90 †Price change from 12/29/89 to 11/14/90.

The company has attracted lots of interest from short-sellers during its eight-year history as a public company, but most of them wish they had never heard of the stock. On average, its shares have doubled in each of the past five years. So a $10,000 stake invested in Blockbuster five years ago would now be worth just over $316,000.

Home Depot, a fast-growing warehouse retailer of home improvement supplies, saw its stock price shoot up over 800% in five years. Fourth-place Gap is up almost 600%. This is the fifth straight year that Gap has been one of the 25 top-performing issues in our survey—a performance unmatched by any other company.

As might be expected, financial services account for almost half of our list of the 25 worst-performing stocks. Columbia Savings & Loan was recently trading at 3 cents a share. The Beverly Hills, Calif.-based thrift took huge losses on its junk bond holdings and was hurt by defaults on its mortgage portfolio, collateralized by southern California real estate.

Declining real estate prices and the junk bond debacle proved to be the downfall of a good number of other financial institutions. American Capital, CrossLand Savings, Bank of New England and First Executive declined by at least 95%.

Enstar Group is another big loser with ties to the savings and loan industry, but one with a unique story. Up until 1989 it was known as Kinder-Care, a very successful chain of child care centers. Back in 1986 this company had a five-year stock price gain of 243%. But the company then began a disastrous diversification strategy by acquiring a specialty retailer and a savings and loan, Centerbanc. Child care was seen by management to be in the way of its broad new plans. So it sold the child care operation in November 1989, making it a separate publicly held company. Shareholders got only rights to purchase shares in the new company. Then the renamed Enstar spun off equity (value: 30 cents per share) in its American Savings & Loan unit six months ago to Enstar stockholders. Enstar stock is practically worthless today.

A company's shares must have been publicly traded as of Dec. 31, 1987 to be ranked in the following table. Firms that underwent a major merger or reorganization during the period are not ranked if the event significantly increased or decreased stockholders' equity.

Companies that paid out a special cash dividend may be ranked, with the value of the distribution excluded from their stock performance.

This year our stock market table includes 1991 earnings estimates. These figures come from the Institutional Brokers Estimate System, a service of the New York brokerage firm Lynch, Jones & Ryan. ■

THE BEST COMPANIES OF 1985-90

Company	5-year price change	Recent price
Blockbuster Entertainment	3060.5%	22¼
Home Depot	851.9	35¼
Compaq Computer	679.3	51⅝
Gap	582.5	30½
Jacobs Engineering	532.4	23
Stewart & Stevenson	529.0	32½
Novell	527.4	30
Microsoft	476.1a	69½
LA Gear	451.6a	11⅜
Turner Broadcasting	404.7	11⅞
Stride Rite	397.0	25⅝
NIKE	386.8	34⅜
Philip Morris Cos	342.5	48⅞
Schultz Sav-O Stores	330.4	13⅝
Stanhome	321.8	29
Newell Co	320.3	23¼
Intelligent Electronics	312.9b	16
Medtronic	312.6	89¼
Holly Corp	312.3	21⅛
Albertson's	306.2	33
Merry-Go-Round Enterprises	288.4	17⅞
Waste Management	283.1	34
UST Inc	281.4	33¼
Danaher	277.9	14⅞
Federal National Mortgage	276.8	32½

THE WORST COMPANIES OF 1985-90

Company	5-year price change	Recent price
Columbia S&L Association	–99.7%	1/32
United Merchants & Manufacturers	–98.7	¼
American Capital	–98.1	⅛
CrossLand Savings FSB	–97.8	¼
Western Union	–97.7	¼
Ames Department Stores	–97.5	⅝
Enstar Group	–97.4	⅜
MDC Holdings	–97.4	¼
First Executive	–96.9	⅜
Savin	–96.8	⅛
AmeriFirst Bank	–96.6a	¼
LVI Group	–96.4	⅛
TIE/communications	–96.4	¼
Bank of New England	–95.3	1¼
Great American Bank	–94.6	¾
Circle K	–94.6	½
Highland Superstores	–93.9	1⅝
Homestead Financial	–93.9	½
US Home	–92.9	⅜
Communications Transmission	–92.0b	½
MAI Systems	–91.5a	15/16
Data General	–91.2	4
Meritor Savings Bank	–90.7	15/16
LTV	–90.7	⅝
Monarch Capital	–90.0	5½

Note: Except as indicated, price change from 12/31/85 to 11/14/90. a: Four year price change. b: Three-year price change.

Sources: Forbes, Media General, via Lotus One Source.

WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
644	AAR Corp	–5.4	10⅞	38	10	1.60	1.62	6.8	0.39	0.48	4.4	11.79	175
93	Abbott Laboratories	150.8	42⅞	46	16	2.14	2.57	20.0	3.15	0.84	2.0	6.16	18,609
375	Acme Steel	39.2a	13¾	26	8	0.92	2.25	14.9	0.16	none	0.0	27.63	73
323	Adia Services	51.2	15½	32	10	1.44	1.74	10.8	0.29	0.16	1.0	13.38	193
1038	Advanced Micro	–83.6	4¾	34	4	–0.10	0.22	def	0.36	none	0.0	7.85	390
296	ADVO-System	57.1a	11	13	4	0.95	1.14	11.6	0.21	none	0.0	3.53	141
801	Aetna Life & Cas	–30.1	37⅜	68	29	5.38	6.07	6.9	0.21	2.76	7.4	61.94	4,165
NR	Affiliated Pubs	NA	7⅛	14	6	0.46	0.45	15.5	0.92	0.24	3.4	2.87	499
696	HF Ahmanson	–13.6	14	29	11	2.51	2.73	5.6	0.30	0.88	6.3	20.22	1,386
NR	Air & Water Tech	NA	18	30	12	–0.39	1.20	def	0.69	none	0.0	3.45	404
175	Air Express Intl	93.5	15	22	7	2.22	2.05	6.8	0.13	none	0.0	8.41	73
283	Air Prods & Chems	61.0	51⅝	61	29	4.15	4.25	12.4	0.99	1.44	2.8	26.23	2,872
220	Airborne Freight	80.6	17⅜	27	6	1.99	2.09	8.7	0.29	0.30	1.7	10.65	326
589	Alaska Air Group	3.9	16¾	31	12	1.82	1.80	9.2	0.22	0.20	1.2	22.08	224
761	Albany International	–23.5b	10⅛	24	8	0.76	0.66	13.3	0.48	0.35	3.5	9.26	255
38	Alberto-Culver	240.4	25	28	7	1.30	1.48	19.2	0.90	0.20	0.8	6.11	713
20	Albertson's	306.2	33	38	8	1.65	1.99	20.0	0.55	0.48	1.5	6.94	4,413
384	Alcan Aluminium	37.7	17¾	25	12	2.07	1.97	8.6	0.46	1.12	6.3	20.13	3,978
238	Alco Standard	73.1	33	38	15	2.56	3.55	12.9	0.31	0.88	2.7	14.76	1,347
809	Alexander & Alexander	–32.3	22½	42	16	1.19	1.65	18.9	0.70	1.00	4.4	9.28	913
358	Alexander & Baldwin	43.9	20½	39	14	2.36	2.49	8.7	1.34	0.88	4.3	13.13	946
836	Alexander's	–37.0	24½	77	21	–0.79	NA	def	0.26	none	0.0	20.88	122
439	Alleghany	27.5a	79½	106	57	10.33	8.00	7.7	0.38	none	0.0	93.92	523
396	Allegheny Ludlum	35.5b	22¼	34	10	2.73	2.86	8.1	0.70	0.88	4.0	9.80	744
537	Allegheny Power	12.1	37⅛	54	31	3.60	3.87	10.3	0.85	3.16	8.5	29.98	1,972
863	Allen Group	–41.9	12⅜	27	6	1.38	1.49	9.0	0.29	none	0.0	12.59	104
NR	Allergan	NA	14¼	26	12	0.68	1.33	21.0	1.13	0.28	2.0	7.10	962
1032	Allied Products	–79.9	4¾	46	3	–5.11	–0.44	def	0.05	none	0.0	19.82	25
870	Allied-Signal	–42.8	26¾	55	25	3.32	3.39	8.1	0.30	1.80	6.7	23.53	3,700
104	Alltel	137.4	31⅛	42	13	2.24	2.53	13.9	1.61	1.40	4.5	13.30	2,513
389	Alcoa	36.7	52⅝	80	33	6.89	7.41	7.6	0.42	3.00	5.7	59.41	4,539
989	AM International	–70.8	1¾	9	1	–1.00	0.35	def	0.89	none	0.0	3.34	82
401	AMAX	34.9	18⅜	30	11	2.56	2.91	7.2	0.43	0.80	4.4	23.53	1,611
974	AMC Entertainment	–67.4	3¾	16	3	–1.42	0.16	def	0.14	none	0.0	2.71	60
210	Amdahl	83.0	13⅜	28	7	1.49	1.56	9.0	0.69	0.10	0.7	10.80	1,477
217	Amerada Hess	81.2	49⅜	56	17	3.94	3.73	12.5	0.66	0.60	1.2	31.69	3,999
842	America West Airlines	–38.3	6⅝	13	4	–0.92	–0.60	def	0.10	none	0.0	4.72	122
861	American Bankers	–41.6	8¼	17	6	1.66	1.78	5.0	0.16	0.50	6.1	12.18	119
114	American Brands	129.2	37¾	41	16	3.85	4.11	9.8	0.88	1.54	4.1	15.19	7,239
513	American Building	15.0	28¾	42	15	2.40	NA	12.0	0.17	0.94	3.3	17.67	114
1076	American Capital	–98.1	⅛	9	†	–2.71	NA	def	0.01	none	0.0	1.64	3
NR	American Cap & Res	NA	9⅞	15	7	0.63	0.84	15.7	0.32	none	0.0	3.62	172
236	American Cyanamid	73.5	49⅞	62	27	3.51	4.29	14.2	1.04	1.35	2.7	24.30	4,778
489	American Electric	19.6	28¼	33	23	2.98	3.18	9.5	0.99	2.40	8.5	22.71	5,213
713	American Express	–16.0	22¼	41	18	0.65	3.02	34.2	0.42	0.92	4.1	13.14	10,287
352	American Family	44.8	15	23	10	1.35	1.74	11.1	0.48	0.36	2.4	8.64	1,221
711	American General	–15.4	29½	51	24	4.56	4.01	6.5	0.79	3.20	10.8	40.38	3,527
619	American Greetings	0.0	32⅝	42	13	2.35	2.99	13.9	0.78	0.70	2.1	18.89	1,044
292	American Home Prods	59.0	50	55	31	3.85	4.35	13.0	2.31	2.15	4.3	6.29	15,699
264	American Intl Group	66.9	70¾	90	39	6.82	7.31	10.4	0.99	0.44	0.6	40.34	15,021
434	American Maize	28.2	17⅝	27	10	0.39	3.30	45.2	0.18	0.64	3.6	21.96	87
NR	American Medical	NA	5	9	4	–1.64	NA	def	0.10	none	0.0	6.63	250
759	American Natl Ins	–23.2	29	51	23	3.33	3.72	8.7	0.78	1.72	5.9	57.42	810
230	American Petrofina	76.8	80	90	38	6.22	NA	12.9	0.35	3.20	4.0	68.61	1,238
805	American President	–31.1	13	51	10	–4.02	0.88	def	0.11	0.60	4.6	29.35	248
800	American Stores	–30.1	45¼	86	42	4.40	5.21	10.3	0.07	1.12	2.5	34.86	1,560
400	American Tel & Tel	35.0	33¾	47	21	2.52	2.81	13.4	1.01	1.32	3.9	11.84	36,757
654	American Water Works	–6.6	15	26	13	1.57	1.90	9.6	0.83	0.80	5.3	19.55	459
1068	AmeriFirst Bank	–96.6a	¼	20	†	–7.19	NA	def	0.01	none	0.0	7.12	3
203	Ameritech	84.9	65⅝	68	33	4.86	5.09	13.5	1.64	3.16	4.8	30.91	17,329
827	Ameritrust	–35.9	11⅜	29	9	0.14	2.76	81.3	0.33	0.64	5.6	21.13	425
328	Ameron	50.0	36	53	22	3.37	NA	10.7	0.33	1.28	3.6	35.07	144
1073	Ames Dept Stores	–97.5	⅝	[illegible]	†	–21.00	0.24	def	0.01	none	0.0	7.60	24
824	Ametek	–35.4	9⅛	20	8	0.83	1.04	11.0	0.63	0.64	7.0	4.40	404

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Rank	Company	5-year price change %	Recent price	1986-90 price range		Earnings per share		Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
				high	low	latest 12 mos $	1991 estimate $						
262	Amoco	67.7	51⅞	60	27	3.32	4.26	15.6	1.03	2.04	3.9	26.75	26,343
502	AMP	17.7	42⅜	72	33	2.72	3.06	15.6	1.53	1.36	3.2	15.26	4,516
944	Ampco-Pittsburgh	–57.5	6	19	5	0.79	NA	7.6	0.26	0.30	5.0	13.20	57
501	AMR	18.1	48⅞	108	27	3.37	3.18	14.5	0.27	none	0.0	60.54	3,045
765	AmSouth Bancorp	–24.3	19⅞	39	17	2.54	3.38	7.8	0.54	1.44	7.2	23.25	485
813	Anacomp	–33.3	2¼	12	1	–4.34	0.49	def	0.13	none	0.0	–1.36	86
987	Analog Devices	–70.3	5⅞	25	6	0.24	0.63	24.5	0.61	none	0.0	7.58	279
1010	Anchor Savings Bank	–74.7b	1¼	13	1	–8.98	NA	def	0.02	none	0.0	6.88	22
193	Anheuser-Busch Cos	88.8	39⅞	46	20	2.91	3.28	13.7	1.08	1.00	2.5	12.72	11,231
478	Aon	21.5	31⅛	43	21	3.70	4.18	8.4	0.81	1.52	4.9	22.50	2,011
243	Apogee Enterprises	72.5	16½	20	8	1.19	1.65	13.9	0.38	0.24	1.5	7.11	226
40	Apple Computer	236.4	37	59	11	3.77	4.10	9.8	0.80	0.48	1.3	11.77	4,432
179	Applied Materials	92.8	20	41	8	2.50	2.36	8.0	0.57	none	0.0	15.70	326
174	Applied Power	93.8b	15½	27	5	1.48	1.86	10.5	0.44	0.12	0.8	6.89	197
89	Archer Daniels	152.7	22⅞	26	9	1.59	1.85	14.4	0.85	0.10	0.4	11.99	6,793
156	Arden Group	104.3	47	73	19	7.50	NA	6.3	0.21	none	0.0	27.10	71
71	Argonaut Group	171.4a	57	78	20	8.70	9.38	6.6	0.85	1.60	2.8	50.35	511
487	Arkla	19.9	21⅛	28	16	1.23	1.58	17.2	0.78	1.08	5.1	7.76	1,835
933	Armco	–55.9	4⅛	15	4	–0.78	0.58	def	0.21	0.40	9.7	11.06	365
581	Armstrong World Inds	5.3	23½	51	18	4.05	2.88	5.8	0.34	1.16	4.9	25.96	872
1008	Arrow Electronics	–74.6	4	17	3	0.40	0.55	10.0	0.05	none	0.0	9.19	48
778	Arvin Industries	–26.9	16	40	13	1.08	1.62	14.8	0.18	0.68	4.3	20.46	301
407	Asarco	33.3	24½	36	10	4.92	3.19	5.0	0.46	1.60	6.5	34.56	1,015
308	Ashland Oil	55.2	29	43	18	3.27	3.43	8.9	0.20	1.00	3.4	20.21	1,681
718	AST Research	–17.5	25⅛	31	7	3.36	2.92	7.6	0.66	none	0.0	12.67	369
994	Atari	–71.7a	2	16	2	0.09	NA	22.2	0.27	none	0.0	1.49	115
904	Guy F Atkinson	–51.3	9¼	20	9	–0.59	1.00	def	0.09	0.48	5.2	15.51	81
278	Atlanta Gas Light	62.7	30½	32	19	2.02	2.44	15.1	0.67	2.04	6.7	19.39	672
488	Atlantic Energy	19.8	34⅛	47	28	3.47	3.77	9.8	1.07	2.96	8.7	28.54	774
158	Atlantic Richfield	103.5	129¾	142	45	9.15	11.82	14.2	1.28	5.00	3.9	39.09	20,962
208	Automatic Data	83.1	54	60	28	2.95	3.26	18.3	2.18	0.70	1.3	15.27	3,759
623	Avery Dennison	–1.0	18¼	33	15	1.57	1.88	11.6	0.45	0.72	3.9	14.69	1,131
780	Avnet	–27.0	25	40	19	1.61	2.11	15.5	0.51	0.60	2.4	21.46	896
601	Avon Products	2.3	28¼	41	19	0.79	3.00	35.8	0.48	1.00	3.5	3.72	1,603
NR	Avondale Industries	NA	3¾	22	3	–1.38	1.70	def	0.08	0.92	24.5	20.74	57
951	Aztar	–60.0	3	11	2	2.16	0.40	1.4	0.25	none	0.0	8.28	122
168	Baker Hughes	97.3b	26⅞	35	11	1.06	2.46	25.4	1.36	0.46	1.7	8.07	3,551
1035	Balfour Maclaine	–82.1a	1¼	14	÷	–4.53	NA	def	0.01	none	0.0	4.46	10
668	Ball Corp	–10.1	27¾	49	25	1.94	2.46	14.3	0.45	1.16	4.2	18.93	607
1024	Bally Manufacturing	–78.0	3⅝	30	3	–3.31	0.53	def	0.05	none	0.0	18.65	102
529	Baltimore G&E	13.0	28¼	40	22	2.31	2.92	12.2	1.09	2.10	7.4	24.91	2,347
416	Banc One	31.8	25½	34	15	2.71	3.17	9.4	1.20	1.04	4.1	15.58	4,034
166	Bancorp Hawaii	97.5	42½	57	21	5.40	6.06	7.9	0.79	1.64	3.9	29.22	707
75	Bandag	164.6	78⅞	91	29	5.36	5.95	14.7	2.01	1.10	1.4	14.69	1,142
965	Bank of Boston	–64.6	7⅜	38	6	–3.24	0.14	def	0.08	0.40	5.4	26.51	536
1065	Bank of New England	–95.3	1¼	39	1	–20.79	–1.38	def	0.03	none	0.0	6.17	87
882	Bank of New York	–44.9	18⅞	55	13	4.66	4.44	4.1	0.24	2.12	11.2	34.58	1,313
315	BankAmerica	52.8	23⅞	36	5	3.42	5.23	7.0	0.42	1.00	4.2	23.32	5,053
608	Bankers Trust NY	1.4	37¼	58	26	7.57	7.76	4.9	0.40	2.33	6.3	26.29	3,035
562	Banta	8.4	22½	27	14	1.31	2.38	17.2	0.49	0.56	2.5	15.35	286
313	CR Bard	53.5	16⅞	27	9	0.79	1.04	21.4	1.15	0.44	2.6	6.12	894
662	Barnes Group	–8.2	25¼	41	24	1.89	2.85	13.4	0.28	1.40	5.5	21.96	153
782	Barnett Banks	–27.5	21⅜	42	14	2.62	3.20	8.3	0.42	1.32	6.1	27.01	1,367
NR	Baroid	NA	5⅜	7	5	0.28	0.91	19.2	0.71	0.20	3.7	NA	398
752	Bassett Furniture Inds	–22.0	30½	51	28	1.24	2.63	24.6	0.54	1.25	4.1	32.42	240
181	Bausch & Lomb	91.4	61½	73	31	4.19	4.97	14.7	1.37	1.32	2.1	23.91	1,828
258	Baxter International	68.3	26½	29	15	–0.27	1.97	def	0.85	0.64	2.4	13.87	6,679
900	BayBanks	–50.0	15¾	51	11	–1.93	1.61	def	0.23	1.20	7.6	37.67	252
754	Bear Stearns Cos	–22.4	8½	20	6	1.08	1.04	7.9	0.35	0.56	6.6	10.44	830
650	Bearings	–6.2	15⅝	33	13	1.28	2.52	12.2	0.16	0.64	4.1	19.01	111
NR	Beckman Instruments	NA	13⅞	23	12	1.27	1.45	10.9	0.51	0.28	2.0	9.38	400
109	Becton Dickinson	133.1	72¼	74	31	4.67	6.02	15.5	1.34	1.16	1.6	27.96	2,703
161	Bell Atlantic	100.0	53¼	57	25	2.88	3.85	18.5	1.73	2.36	4.4	23.78	20,907
837	Bell Industries	–37.1	13⅞	23	11	1.43	1.56	9.7	0.20	0.40	2.9	16.35	80

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WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	1986-90 price range		Earnings per share		Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
				high	low	latest 12 mos $	1991 estimate $						
279	**BellSouth**	**62.6**	53⅛	59	29	3.61	3.86	14.7	1.79	2.68	5.0	27.21	25,605
551	**AH Belo**	**10.5**	28⅞	41	21	1.30	1.71	22.2	1.24	0.52	1.8	11.99	540
101	**Bemis**	**142.0**	27	38	10	1.94	2.32	13.9	0.63	0.72	2.7	10.45	694
685	**Beneficial Corp**	**–12.6**	42⅜	79	29	5.58	6.07	7.6	0.56	2.40	5.7	35.31	949
339	**Bergen Brunswig**	**47.5**	26¼	30	8	1.82	2.01	14.4	0.20	0.40	1.5	11.46	873
342	**WR Berkley**	**46.7**	33¾	47	20	3.62	4.82	9.3	0.72	0.44	1.3	27.90	400
83	**Berkshire Hathaway**	**158.2**	6275	8900	2200	331.13	285.00	19.0	3.15	none	0.0	4297.67	7,191
854	**Best Buy Co**	**–40.5**	5¾	23	5	0.72	0.98	8.0	0.08	none	0.0	7.99	48
732	**Bethlehem Steel**	**–20.0**	12½	29	5	1.04	1.98	12.0	0.20	0.40	3.2	23.30	948
144	**Betz Laboratories**	**112.5**	38¼	40	18	2.03	2.24	18.9	1.92	1.08	2.8	9.07	1,098
935	**Beverly Enterprises**	**–56.7**	7⅞	23	4	0.18	0.34	43.8	0.25	none	0.0	6.29	520
918	**Big B**	**–53.2**	7¼	19	5	–0.41	0.49	def	0.12	none	0.0	9.27	54
517	**Bindley Western Inds**	**14.5**	10⅞	17	6	0.71	1.07	15.3	0.04	0.06	0.6	7.84	68
347	**Birmingham Steel**	**45.5**	12	30	8	1.14	1.95	10.5	0.33	0.50	4.2	12.38	145
911	**Black & Decker**	**–52.3**	10¼	27	8	1.38	1.59	7.4	0.15	0.40	3.9	12.24	631
587	**Blair**	**3.9**	29¾	43	20	3.91	4.30	7.6	0.58	0.60	2.0	12.21	272
123	**H&R Block**	**121.5**	42⅝	43	18	2.29	2.97	18.6	2.12	1.56	3.7	9.53	2,250
200	**Block Drug**	**85.8**	33¼	37	18	2.74	NA	12.2	1.29	0.80	2.4	19.43	603
1	**Blockbuster**	**3060.5**	22¼	26	†	0.80	1.24	27.8	2.79	none	0.0	2.90	1,630
885	**Blount**	**–45.1**	8⅜	21	7	1.03	NA	8.1	0.09	0.45	5.4	13.18	63
719	**Boatmen's Bancshares**	**–17.7**	30⅛	47	25	3.84	4.27	7.8	0.69	2.12	7.0	31.33	1,045
610	**Bob Evans Farms**	**1.3**	12⅜	20	11	0.87	1.14	14.2	0.85	0.26	2.1	6.93	399
160	**Boeing**	**101.9**	46⅞	62	15	3.32	5.04	14.1	0.64	1.00	2.1	17.73	16,244
667	**Boise Cascade**	**–9.1**	25⅝	52	20	2.86	1.68	9.0	0.23	1.52	5.9	43.07	975
241	**Borden**	**72.9**	29¾	39	15	2.44	2.83	12.2	0.57	1.06	3.6	11.12	4,401
714	**Boston Edison**	**–16.6**	19⅛	28	13	–0.93	1.94	def	0.60	1.52	7.9	16.68	741
755	**Bowater**	**–22.8**	19	45	16	2.68	2.07	7.1	0.48	1.20	6.3	25.81	675
702	**Briggs & Stratton**	**–14.0**	26	42	20	2.74	2.51	9.5	0.38	1.60	6.2	18.76	376
189	**Bristol-Myers Squibb**	**89.4**	62¾	66	28	1.84	3.98	34.1	3.32	2.12	3.4	9.67	32,981
NR	**Broad**	**NA**	4	13	4	1.02	1.84	3.9	0.15	0.20	5.0	11.34	129
403	**Brooklyn Union Gas**	**34.3**	29⅞	32	19	2.14	2.63	14.0	0.74	1.84	6.2	20.04	733
134	**Brown-Forman**	**116.1**	67	92	27	3.11	6.11	21.5	1.79	2.08	3.1	20.86	1,875
819	**Brown Group**	**–34.4**	22⅛	44	20	1.97	2.61	11.2	0.21	1.60	7.2	19.39	386
353	**Browning-Ferris Inds**	**44.6**	23⅛	49	15	–0.29	2.14	def	1.18	0.64	2.8	8.33	3,492
255	**Bruno's**	**68.6**	14¾	17	7	0.77	0.88	19.2	0.49	0.18	1.2	4.13	1,204
739	**Brunswick**	**–20.9**	8⅝	30	6	0.93	0.72	9.3	0.30	0.44	5.1	9.92	762
763	**Burlington Coat**	**–24.0**	9½	23	8	1.36	1.49	7.0	0.21	none	0.0	12.30	169
NR	**Burlington Northern**	**NA**	27⅛	39	21	3.45	3.54	7.9	0.44	1.20	4.4	14.33	2,053
NR	**Burlington Resources**	**NA**	43	54	23	1.56	1.79	27.6	3.31	0.70	1.6	22.08	6,017
1019	**Businessland**	**–77.0**	1¾	18	1	–1.61	–0.57	def	0.04	none	0.0	5.91	52
906	**Butler Manufacturing**	**–51.5c**	15¾	45	14	1.48	2.15	10.6	0.12	none	0.0	9.27	71
784	**Cablevision Systems**	**–27.8a**	13⅝	47	10	–12.64	NA	def	0.56	none	0.0	–19.82	305
554	**Cabot**	**10.3**	28⅛	49	23	2.73	3.13	10.3	0.41	1.04	3.7	21.39	692
693	**Caesars World**	**–13.3**	13⅞	43	10	1.41	1.64	9.8	0.38	none	0.0	10.93	331
1046	**CalFed**	**–86.7**	3⅝	42	2	–4.07	1.70	def	0.04	0.12	3.3	56.76	91
327	**CalMat**	**50.4**	21¼	46	13	3.70	2.05	5.7	1.06	0.64	3.0	17.43	499
145	**Campbell Soup**	**112.2**	52⅜	62	22	0.21	2.96	249.4	1.08	1.16	2.2	13.09	6,801
701	**C&S/Sovran**	**–13.9**	17¾	36	15	2.55	3.18	7.0	0.45	1.56	8.8	22.34	2,353
231	**Capital Cities/ABC**	**75.5**	394	633	208	28.73	31.19	13.7	1.28	0.20	0.1	187.74	6,818
535	**Capital Holding**	**12.3**	33	54	24	3.84	5.71	8.6	0.61	1.20	3.6	29.61	1,525
86	**Cardinal Distribution**	**154.9**	23¾	25	6	1.11	1.50	21.4	0.32	0.08	0.3	9.42	316
499	**Carl Karcher**	**18.2**	6½	18	5	0.32	1.13	20.3	0.23	0.08	1.2	3.72	119
753	**Carlisle Cos**	**–22.2**	26⅝	44	22	2.71	3.36	9.8	0.36	1.24	4.7	25.86	215
469	**Carnival Cruise Lines**	**22.9b**	14¾	26	8	1.55	1.72	9.5	1.52	0.48	3.3	6.63	2,010
957	**Carolina Freight**	**–61.7**	11	43	11	–0.29	1.41	def	0.10	0.60	5.5	19.66	72
329	**Carolina Power & Lt**	**49.8**	45⅛	48	28	3.36	4.34	13.4	1.42	2.92	6.5	31.18	3,627
545	**Carpenter Technology**	**11.3**	38⅛	57	29	4.95	5.07	7.7	0.57	2.40	6.3	36.43	328
978	**Carter Hawley Hale**	**–69.1b**	2⅝	15	2	–0.37	0.41	def	0.03	none	0.0	–6.49	77
155	**Carter-Wallace**	**104.7**	49¼	76	24	3.40	4.21	14.5	1.28	0.92	1.9	22.54	760
858	**Casey's General Store**	**–41.0**	5⅜	20	5	0.73	0.81	7.4	0.12	0.10	1.9	6.95	62
555	**AM Castle & Co**	**10.1**	10⅛	17	7	0.80	1.21	12.7	0.15	0.68	6.7	9.66	74
92	**Castle & Cooke**	**151.0**	32⅝	45	12	2.10	2.12	15.5	0.64	none	0.0	14.11	1,936
588	**Caterpillar**	**3.9**	43⅝	75	37	3.02	3.18	14.4	0.39	1.20	2.8	44.11	4,425
178	**CBI Industries**	**93.1**	38⅜	44	16	2.29	2.56	16.8	0.48	0.60	1.6	22.92	748

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363	**CBS**	**42.5**	165⅛	226	110	12.69	9.55	13.0	1.22	4.40	2.7	105.37	3,909
500	**CDI**	**18.2**	6⅝	19	4	0.69	0.93	9.6	0.14	none	0.0	5.20	131
125	**Centel**	**120.6**	30⅞	45	13	3.25	0.90	9.5	2.00	0.85	2.8	12.79	2,587
740	**Centerior Energy**	**–20.9a**	18	28	12	1.56	1.95	11.5	1.06	1.60	8.9	19.99	2,495
645	**Centex**	**–5.4**	24	44	15	4.01	3.35	6.0	0.16	0.40	1.7	29.71	362
291	**Central & So West**	**59.1**	43¾	45	27	3.73	3.86	11.7	1.53	2.76	6.3	28.13	4,117
768	**Central Hudson G&E**	**–24.6**	22⅝	40	17	2.39	2.53	9.5	0.68	1.84	8.1	21.76	337
447	**Central Maine Power**	**26.3**	18	21	13	1.81	2.05	9.9	0.68	1.56	8.7	16.05	517
NR	**Central Newspapers**	**NA**	17	26	14	1.22	1.12	13.9	1.03	0.40	2.4	9.74	450
272	**Central Steel & Wire**	**64.4**	600	675	350	53.89	NA	11.1	0.33	31.50	5.3	510.85	177
622	**Champion Intl**	**–0.5**	24¾	45	23	2.97	2.13	8.3	0.45	1.10	4.4	38.56	2,301
717	**Charming Shoppes**	**–17.5**	9⅝	37	7	0.72	0.93	13.4	0.55	0.12	1.2	5.25	481
257	**Charter**	**68.4**	4	6	2	–0.32	0.50	def	0.33	0.05	1.3	2.99	187
980	**Chase Manhattan**	**–69.3**	11⅛	50	10	–2.67	2.95	def	0.10	1.20	10.8	36.40	1,410
844	**Chemed**	**–39.0**	20⅛	45	19	1.96	2.31	10.3	0.35	1.96	9.7	16.53	210
999	**Chemical Banking**	**–72.7**	12⅜	56	10	3.29	2.81	3.8	0.14	1.00	8.1	34.53	1,121
612	**Chesapeake**	**1.0**	13⅛	27	13	1.23	1.33	10.7	0.32	0.72	5.5	15.27	270
221	**Chevron**	**80.3**	68¾	82	32	1.72	5.89	40.0	0.72	3.10	4.5	42.19	24,306
692	**Child World**	**–13.2**	10⅝	20	8	0.01	NA	1063.0	0.14	none	0.0	18.69	121
53	**Chiquita Brands Intl**	**205.4**	28¼	31	7	2.06	2.54	13.7	0.25	0.40	1.4	11.94	1,071
875	**Chrysler**	**–43.9**	11⅝	48	9	–2.66	0.69	def	0.09	1.20	10.3	32.49	2,621
225	**Chubb**	**78.6**	49	51	25	5.48	5.54	8.9	0.97	1.32	2.7	32.62	4,067
856	**Cigna**	**–40.9**	38	77	33	5.10	5.49	7.5	0.17	3.04	8.0	70.59	2,916
446	**CILcorp**	**26.4**	34⅛	43	27	2.84	3.24	12.0	0.84	2.46	7.2	25.77	431
39	**Cincinnati Bell**	**240.2**	23½	35	7	1.40	1.65	16.8	1.48	0.76	3.2	9.14	1,417
390	**Cincinnati Financial**	**36.6**	77¾	90	37	7.60	8.76	10.2	1.24	2.44	3.1	62.65	1,276
399	**Cincinnati G&E**	**35.1**	29⅞	32	20	4.17	3.68	7.2	1.05	2.40	8.0	25.06	1,541
884	**Cincinnati Milacron**	**–45.1**	9¾	35	9	0.26	0.99	37.5	0.32	0.72	7.4	9.07	267
556	**Cipsco**	**10.1**	21⅞	31	20	1.99	2.17	11.0	1.23	1.84	8.4	17.52	748
1063	**Circle K**	**–94.6**	½	19	†	–18.33	NA	def	0.01	none	0.0	–7.67	25
192	**Circuit City Stores**	**88.9**	11¾	29	6	1.77	1.87	6.6	0.24	0.10	0.9	7.83	540
52	**Circus Circus**	**206.0**	44¾	71	13	2.49	4.02	18.0	2.26	none	0.0	5.63	1,277
874	**Citicorp**	**–43.3**	14	36	11	–0.65	2.46	def	0.12	1.78	12.7	25.36	4,610
646	**Clark Equipment**	**–5.4**	23⅞	47	16	3.60	3.44	6.6	0.28	none	0.0	31.98	412
354	**Clorox**	**44.4**	34⅜	45	22	2.70	2.63	12.7	1.23	1.44	4.2	15.00	1,868
32	**CMS Energy**	**255.1**	26⅝	40	8	2.69	3.84	9.9	0.73	0.48	1.8	23.97	2,171
669	**CNA Financial**	**–10.5**	57¾	109	47	5.62	5.56	10.3	0.37	none	0.0	64.74	3,571
1000	**Coachmen Industries**	**–72.9**	3⅝	23	4	–0.46	–0.13	def	0.10	0.08	2.2	9.27	27
992	**Coast Savings Finl**	**–71.4**	4	22	2	–3.54	1.38	def	0.05	0.40	10.0	14.86	61
153	**Coastal Corp**	**107.0**	36	40	10	1.97	2.75	18.3	0.43	0.40	1.1	17.19	3,724
45	**Coca-Cola**	**222.2**	45⅜	48	13	2.70	2.37	16.8	3.05	0.80	1.8	4.73	30,294
606	**Coca-Cola Enterprises**	**1.8a**	14½	21	11	0.60	0.70	24.2	0.44	0.05	0.3	11.62	1,745
146	**Colgate-Palmolive**	**111.5**	69¼	74	28	4.41	5.16	15.7	0.83	1.80	2.6	20.99	4,566
605	**Collins Foods Intl**	**1.8**	14	24	10	1.32	1.71	10.6	0.53	0.20	1.4	11.20	317
470	**Columbia Gas System**	**22.8**	48½	57	27	2.54	3.35	19.1	0.79	2.20	4.5	35.50	2,317
1078	**Columbia S&L Assn**	**–99.7**	1/32	17	†	–57.65	NA	def	0.00	none	0.0	2.72	1
273	**Comcast**	**64.1**	10⅞	20	6	–1.64	–1.37	def	1.91	0.12	1.1	1.49	1,227
695	**Comdisco**	**–13.5**	16½	37	12	2.09	2.50	7.9	0.34	0.28	1.7	13.65	664
421	**Comerica**	**30.5**	39¼	59	26	7.49	7.97	5.2	0.50	2.60	6.6	40.29	649
366	**Commerce Bcshs**	**41.1**	22⅛	29	13	3.02	3.29	7.3	0.72	0.72	3.3	22.31	424
659	**Commerce Clearing**	**–7.6**	45½	71	38	2.02	2.78	22.5	1.15	1.40	3.1	12.11	808
1018	**Commercial Federal**	**–76.9**	2¾	19	2	–6.21	–4.95	def	0.04	none	0.0	20.36	19
575	**Commercial Intertech**	**6.7**	12	29	11	0.89	2.00	13.5	0.27	0.68	5.7	13.64	119
382	**Commercial Metals**	**38.6**	17¼	24	11	2.27	2.34	7.6	0.17	0.52	3.0	16.91	196
514	**Commonwealth Ed**	**14.9**	33¾	41	23	–0.01	3.32	def	1.36	3.00	8.9	32.46	7,157
570	**Commonwealth Energy**	**7.3**	33	46	25	3.24	3.74	10.2	0.39	2.92	8.8	31.87	323
802	**Commtron**	**–30.4a**	6	12	2	0.90	1.00	6.7	0.11	none	0.0	5.37	61
1059	**Communications Trans**	**–92.0b**	½	12	†	–6.44	NA	def	0.01	none	0.0	–4.94	6
3	**Compaq Computer**	**679.3**	51⅝	68	6	4.55	5.49	11.4	1.20	none	0.0	14.92	4,075
234	**Computer Associates**	**74.4**	7⅝	22	4	0.91	1.07	8.4	1.12	0.05	0.7	5.31	1,425
388	**Computer Sciences**	**37.0**	45⅞	73	30	4.11	4.49	11.2	0.45	none	0.0	28.77	731
97	**ConAgra**	**147.1**	35	36	13	1.92	2.57	18.2	0.29	0.69	2.0	8.92	4,704
NR	**Conner Peripherals**	**NA**	25⅜	31	7	2.03	3.18	12.5	1.24	none	0.0	5.04	1,424
43	**Conseco**	**229.6**	25⅛	29	7	4.29	5.42	5.9	0.20	0.24	1.0	17.21	143

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Sources: Forbes, Media General, Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
509	**Consolidated Edison**	16.5	23	30	19	2.27	2.43	10.1	0.91	1.82	7.9	19.16	5,248
890	**Consol Freightways**	–47.2	14	41	11	–1.97	1.43	def	0.12	none	0.0	20.73	490
205	**Consol Natural Gas**	84.2	46¾	53	22	1.91	2.82	24.5	1.41	1.84	3.9	20.26	4,023
506	**Consolidated Papers**	16.8	31¼	46	24	3.59	3.21	8.7	1.42	1.28	4.1	19.17	1,363
437	**Consolidated Rail**	27.6b	35¼	51	20	2.23	4.69	15.8	0.44	1.60	4.5	60.24	1,469
930	**Consolidated Stores**	–55.2	3½	24	2	–0.19	0.47	def	0.25	none	0.0	3.18	159
748	**Constar Intl**	–21.6	15⅜	34	12	1.97	2.46	7.8	0.22	0.64	4.2	17.63	113
78	**Contel**	163.4	33¾	37	13	1.33	1.46	25.4	1.59	1.10	3.3	10.46	5,351
1023	**Continental Airlines**	–77.5	3⅜	52	2	–12.03	–1.17	def	0.02	none	0.0	–24.51	143
1005	**Continental Bank**	–74.1	10¼	41	7	–0.98	2.05	def	0.18	1.00	9.8	24.42	509
896	**Continental Corp**	–49.5	23¾	55	16	2.87	0.93	8.3	0.22	2.60	10.9	42.21	1,286
899	**Control Data**	–50.0	10⅜	38	8	–3.98	1.59	def	0.25	none	0.0	9.43	441
202	**Cooper Industries**	85.1	38⅞	46	18	2.73	3.17	14.2	0.71	1.08	2.8	22.71	4,262
34	**Cooper Tire & Rubber**	248.5	16⅞	21	4	1.58	1.76	10.7	0.78	0.24	1.4	7.54	696
656	**Adolph Coors**	–6.9	20⅛	32	16	0.98	1.94	20.5	0.39	0.50	2.5	28.75	749
655	**CoreStates Financial**	–6.7	29¾	50	23	4.67	5.30	6.4	0.67	1.92	6.5	25.64	1,619
419	**Corning**	30.8	40⅜	52	17	3.06	3.06	13.2	1.36	1.13	2.8	18.85	3,779
26	**Costco Wholesale**	272.3	43¾	48	6	1.40	1.92	31.3	0.37	none	0.0	7.82	1,513
47	**CPC International**	217.2	80⅞	85	23	4.68	5.48	17.3	1.10	2.00	2.5	18.22	6,100
NR	**Crane**	NA	21¼	28	15	1.87	2.14	11.4	0.47	0.75	3.5	8.92	676
942	**Cray Research**	–57.4	27⅞	136	20	4.59	4.39	6.1	0.87	none	0.0	21.11	767
796	**Crestar Financial**	–29.5	16⅛	36	12	2.73	3.21	5.9	0.41	1.32	8.2	22.78	503
1047	**Cross & Trecker**	–87.3	2⅞	28	2	–1.02	0.16	def	0.08	none	0.0	9.31	36
1075	**CrossLand Savings FSB**	–97.8	¼	24	†	–23.48	NA	def	0.00	none	0.0	20.90	4
455	**Crown Central Pet**	25.0	22½	42	12	2.18	3.79	10.3	0.11	0.80	3.6	31.17	221
206	**Crown Cork & Seal**	84.1	55	67	26	3.69	4.70	14.9	0.59	none	0.0	28.21	1,589
102	**CRSS**	138.9	11¼	22	4	1.17	1.21	9.7	0.33	0.12	1.1	9.04	160
684	**Crystal Brands**	–12.6	19⅞	38	13	2.32	3.64	8.6	0.21	0.20	1.0	26.19	181
630	**CSX**	–3.3	29¼	42	22	4.08	3.81	7.2	0.36	1.40	4.8	33.22	2,876
969	**Culbro**	–65.5	14⅛	59	14	1.09	NA	13.0	0.06	0.80	5.7	28.78	61
907	**Cummins Engine**	–51.6	34⅞	95	31	–5.76	–0.32	def	0.10	2.20	6.3	54.09	357
431	**Curtice Burns Foods**	29.1	15⅝	29	11	0.69	1.25	22.5	0.14	0.64	4.1	12.17	133
941	**Cyclops Industries**	–57.4b	10¾	50	10	–0.36	1.95	def	0.06	none	0.0	10.37	76
418	**Cyprus Minerals**	30.8	14½	33	10	3.06	2.52	4.7	0.32	0.80	5.5	29.88	588
971	**Dairy Mart**	–66.6	4⅝	15	5	0.59	1.10	7.8	0.04	none	0.0	7.30	20
706	**Dana**	–14.2	23⅜	54	20	2.26	2.92	10.3	0.18	1.60	6.8	24.93	958
24	**Danaher**	277.9	14⅞	24	4	2.43	2.02	6.1	0.55	none	0.0	8.27	432
857	**Dart Group**	–41.0	69	179	59	6.36	NA	10.8	0.12	0.13	0.2	151.80	120
1057	**Data General**	–91.2	4	49	4	–4.65	–0.46	def	0.10	none	0.0	17.68	121
992	**Datapoint**	–71.4	1½	9	†	–9.72	NA	def	0.06	none	0.0	–1.58	15
531	**Dayton Hudson**	12.8	51¾	80	22	5.50	6.31	9.4	0.26	1.32	2.6	28.33	3,670
374	**Dean Foods**	39.3	39¼	39	23	2.39	2.99	16.4	0.51	0.74	1.9	13.39	1,063
277	**Deere & Co**	63.1	46⅞	78	22	5.81	5.03	8.1	0.46	2.00	4.3	36.76	3,562
383	**Delchamps**	38.1	24	30	13	1.93	2.10	12.4	0.18	0.44	1.8	14.75	171
633	**Delmarva Power & Lt**	–3.8	17⅞	25	16	1.69	1.86	10.6	1.04	1.54	8.6	13.67	852
332	**Delta Air Lines**	49.1	58⅛	86	32	1.99	0.26	29.2	0.31	1.20	2.1	59.48	2,679
847	**Delta Woodside Inds**	–39.3b	4¼	18	4	0.24	1.03	17.7	0.16	0.30	7.1	6.81	80
365	**Deluxe**	41.2	33	42	20	1.97	2.30	16.8	2.02	1.16	3.5	7.40	2,799
485	**DeSoto**	20.2	42⅜	53	21	1.40	NA	30.3	0.40	0.40	0.9	21.20	172
227	**Detroit Edison**	78.0	28¼	30	12	3.10	3.18	9.1	1.26	1.78	6.3	16.14	4,150
571	**Dexter**	7.2	18½	35	17	1.69	1.98	10.9	0.51	0.88	4.8	13.14	447
107	**Diamond Shamrock**	135.8b	20⅝	29	7	2.99	2.40	6.9	0.21	0.48	2.3	14.10	509
381	**Dibrell Brothers**	38.6	17½	29	10	1.88	2.67	9.3	0.15	0.80	4.6	12.29	116
721	**Diebold**	–18.1	33⅞	61	30	2.18	3.23	15.5	0.94	1.50	4.4	28.75	448
743	**Digital Equipment**	–21.1	52¼	200	46	–0.40	4.21	def	0.49	none	0.0	66.76	6,376
120	**Dillard Dept Stores**	122.3	83⅜	96	24	4.99	6.21	16.7	0.83	0.20	0.2	30.68	2,876
1037	**Dime Savings Bank FSB**	–83.4a	3	26	2	–9.86	1.04	def	0.06	none	0.0	27.66	68
41	**Walt Disney**	236.2	94⅞	137	28	6.00	8.19	15.8	2.20	0.58	0.6	22.50	12,827
265	**Diversified Energies**	66.3	33⅞	39	20	0.58	2.38	58.4	0.72	1.60	4.7	15.93	545
251	**Dixie Yarns**	70.0	9⅛	34	5	0.73	1.01	12.5	0.16	0.68	7.4	18.70	88
940	**Dollar General**	–57.4	8⅝	24	5	0.71	1.04	12.2	0.25	0.20	2.3	6.59	158
920	**Dominion Bankshares**	–53.4	8¼	26	7	0.37	1.80	22.3	0.28	0.88	10.7	16.14	311
406	**Dominion Resources**	33.8	47½	52	34	4.88	4.52	9.7	1.32	3.44	7.2	34.00	4,825
164	**Donaldson**	98.2	27⅛	35	11	2.17	2.43	12.5	0.62	0.44	1.6	15.04	261

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Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/earnings ratio	Price/sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
518	**RR Donnelley & Sons**	**14.4**	36⅜	53	26	2.90	3.30	12.5	0.86	0.96	2.6	18.56	2,830
835	**Douglas & Lomason**	**–36.8**	10½	27	10	1.47	NA	7.1	0.05	none	0.0	20.52	23
260	**Dover**	**67.8**	33⅞	41	19	2.53	2.76	13.4	0.96	0.80	2.4	12.00	2,087
268	**Dow Chemical**	**65.6**	45¼	76	27	5.68	4.26	8.0	0.65	2.60	5.7	29.88	12,203
787	**Dow Jones**	**–28.6**	22½	56	18	1.23	1.28	18.3	1.32	0.76	3.4	13.94	2,266
385	**DPL**	**37.2**	18¾	21	13	2.18	2.12	8.6	1.33	1.56	8.3	14.76	1,282
336	**DQE**	**48.5**	24⅛	25	11	2.23	2.30	10.8	1.16	1.44	6.0	19.27	1,323
774	**Dravo**	**–26.1**	12⅜	23	9	0.95	1.30	13.0	0.63	none	0.0	7.31	185
148	**Dresser Industries**	**109.6**	19	28	7	1.26	1.68	15.1	0.62	0.60	3.2	11.88	2,584
NR	**Drug Emporium**	**NA**	7½	16	6	0.63	0.81	11.9	0.18	0.12	1.6	4.22	97
838	**DSC Communications**	**–37.4**	5⅝	17	4	0.76	0.99	7.4	0.46	none	0.0	6.32	227
302	**EI du Pont de Nemours**	**55.8**	35¼	44	20	3.42	3.56	10.3	0.64	1.68	4.8	22.71	23,811
250	**Duke Power**	**70.3**	30⅛	32	17	2.61	2.65	11.5	1.64	1.64	5.4	18.05	6,103
635	**Dun & Bradstreet**	**–4.2**	40⅛	72	36	2.78	3.00	14.4	1.57	2.12	5.3	11.80	7,323
152	**Durr-Fillauer**	**107.1**	25⅝	27	7	1.64	1.88	15.6	0.33	0.30	1.2	11.13	257
190	**DWG**	**89.2**	3⅜	16	1	–0.46	NA	def	0.07	none	0.0	4.20	87
932	**Dynatech**	**–55.8**	15¼	43	12	1.62	1.95	9.4	0.31	none	0.0	14.08	144
566	**E-Systems**	**8.0**	32	41	23	2.65	3.41	12.1	0.56	0.75	2.3	18.08	996
NR	**Eagle Food Centers**	**NA**	5	20	5	0.74	1.05	6.8	0.05	none	0.0	5.12	58
1049	**Eagle-Picher Inds**	**–88.3**	3½	53	2	4.52	2.85	0.8	0.05	none	0.0	–19.96	38
525	**Eastern Enterprises**	**13.4**	27½	35	19	2.76	2.91	10.0	0.68	1.40	5.1	21.45	639
460	**Eastman Kodak**	**24.4**	42	71	31	0.97	4.35	43.3	0.73	2.00	4.8	20.48	13,626
596	**Eaton**	**2.9**	44	72	37	5.45	5.01	8.1	0.44	2.20	5.0	34.94	1,585
760	**Echlin**	**–23.5**	11	25	9	0.85	1.00	12.9	0.38	0.70	6.4	11.48	614
584	**Ecolab**	**4.9**	21⅝	36	17	0.58	2.17	37.3	0.37	0.66	3.1	17.30	509
533	**Edison Bros Stores**	**12.6**	19½	49	11	3.20	3.48	6.1	0.38	1.04	5.3	12.01	435
690	**AG Edwards**	**–13.0**	18¼	35	13	2.46	2.38	7.4	0.64	0.68	3.7	15.13	412
694	**EG&G**	**–13.4**	33¼	45	27	2.52	3.00	13.2	0.42	0.84	2.5	12.04	964
NR	**Egghead**	**NA**	9½	21	7	0.34	0.72	27.9	0.31	none	0.0	6.01	156
1011	**El Paso Electric**	**–75.0**	3⅞	22	4	–2.00	0.49	def	0.31	none	0.0	11.48	137
NR	**Eljer Industries**	**NA**	5⅞	35	5	0.78	1.50	7.5	0.09	0.28	4.8	12.86	42
433	**Emerson Electric**	**28.8**	34⅞	44	26	2.75	2.96	12.7	1.03	1.32	3.8	13.79	7,778
881	**Emerson Radio**	**–44.8**	2⅜	13	2	–0.08	0.45	def	0.11	none	0.0	2.66	85
510	**Engelhard**	**16.0**	18¾	29	15	–2.15	1.92	def	0.29	0.68	3.6	14.29	840
413	**Enron**	**32.2**	59½	63	31	4.73	3.05	12.6	0.27	2.48	4.2	31.65	2,998
625	**Enserch**	**–1.1**	22	28	13	1.08	1.38	20.4	0.51	0.80	3.6	10.88	1,422
1072	**Enstar Group**	**–97.4**	⅜	19	†	0.12	0.13	2.8	0.04	none	0.0	4.56	18
154	**Entergy**	**105.9**	21⅞	24	8	2.11	2.28	10.4	1.03	1.20	5.5	20.68	4,064
350	**Equifax**	**45.1**	14⅜	22	9	0.82	1.21	17.5	0.79	0.48	3.3	5.03	708
661	**Equitable of Iowa**	**–7.9**	15½	36	15	3.24	4.80	4.8	0.17	1.20	7.7	38.67	110
338	**Equitable Resources**	**47.6**	38⅛	47	22	2.35	3.10	16.2	1.27	1.42	3.7	24.03	796
746	**ERLY Industries**	**–21.4**	5	12	4	0.88	NA	5.7	0.04	none	0.0	4.15	15
NR	**ESCO Electronics**	**NA**	4⅜	6	3	0.29	NA	15.1	0.09	none	0.0	40.55	49
246	**Ethyl**	**71.6**	23⅜	33	14	1.92	2.11	12.2	1.12	0.60	2.6	7.53	2,788
820	**Everex Systems**	**–34.6b**	4¼	14	3	1.03	0.97	4.1	0.23	none	0.0	5.97	100
214	**Exxon**	**82.3**	50¼	55	24	3.10	4.38	16.2	0.64	2.68	5.3	24.67	62,665
454	**Fairchild**	**25.4**	7	17	4	0.79	1.55	8.9	0.17	none	0.0	7.01	114
921	**Family Dollar Stores**	**–53.4**	9½	28	7	1.04	1.18	9.1	0.30	0.40	4.2	6.46	264
603	**Fay's**	**2.0**	7⅜	15	4	0.70	0.95	10.5	0.18	0.20	2.7	4.44	114
867	**Federal Express**	**–42.5**	34⅞	76	32	2.41	4.32	14.5	0.25	none	0.0	31.03	1,851
826	**Federal-Mogul**	**–35.5**	12⅜	30	10	0.63	1.21	19.7	0.25	0.92	7.4	15.00	276
25	**Federal Natl Mortgage**	**276.8**	32½	46	8	4.21	5.02	7.7	0.62	0.88	2.7	12.52	7,764
228	**Federal Paper Board**	**77.5**	17¾	30	9	3.64	2.19	4.9	0.53	1.00	5.6	17.79	714
70	**Federal Signal**	**171.7**	29¾	30	9	1.90	1.97	15.6	1.05	0.66	2.2	8.53	455
215	**Ferro**	**82.1**	19½	41	10	1.52	1.82	12.8	0.34	0.64	3.3	17.24	374
73	**FHP International**	**170.1a**	13	26	3	1.16	1.53	11.2	0.30	none	0.0	5.67	323
955	**Fieldcrest Cannon**	**–61.3**	6¾	43	7	–0.35	0.60	def	0.05	0.40	5.9	27.24	70
444	**Figgie Intl**	**26.7**	17	36	13	2.81	2.52	6.0	0.24	0.50	2.9	16.74	319
NR	**Finevest Foods**	**NA**	2⅜	14	2	–1.18	0.38	def	0.04	none	0.0	3.80	25
966	**First American Corp**	**–64.8**	8⅛	34	5	–2.66	1.14	def	0.25	none	0.0	18.82	189
557	**First American Finl**	**9.9**	9¾	18	6	1.03	1.52	9.5	0.13	0.40	4.1	16.06	96
873	**First Bank System**	**–43.1**	11⅞	37	10	–0.67	1.87	def	0.34	0.82	6.9	12.62	746
NR	**First Brands**	**NA**	15½	29	15	2.21	2.47	7.0	0.31	0.04	0.3	8.74	335
989	**First Capital Holding**	**–70.8**	1¾	27	1	1.03	1.20	1.7	0.08	none	0.0	8.38	82

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Sources: Forbes; Media General; Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	1986-90 price range high	low	Earnings per share latest 12 mos $	1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
855	**First Chicago**	**–40.7**	17½	50	13	4.37	3.49	4.0	0.20	2.00	11.4	34.87	1,154
NR	**First City Bncp Texas**	**NA**	5⅛	40	3	0.72	1.30	7.1	0.07	1.74	33.9	29.44	93
1070	**First Executive**	**–96.9**	⅜	20	÷	–9.69	0.97	def	0.04	none	0.0	7.56	35
891	**First Fidelity Bncp**	**–47.3**	16¼	47	12	–1.51	3.31	def	0.31	1.20	7.4	24.56	950
426	**First Financial Mgmt**	**29.7**	17½	39	11	2.49	3.11	7.0	0.40	0.10	0.6	19.07	485
949	**First Interstate Bncp**	**–59.1**	21⅝	70	16	–1.66	4.75	def	0.22	3.00	13.9	35.44	1,331
449	**First Mississippi**	**25.9**	9⅛	21	5	0.39	0.85	23.4	0.34	0.30	3.3	9.65	179
677	**First of America Bank**	**–11.6**	19	28	15	3.07	7.10	6.2	0.49	1.20	6.3	22.37	662
682	**First Security**	**–12.5**	19¼	34	18	3.59	3.61	5.4	0.40	1.28	6.6	33.27	264
732	**First Tennessee Natl**	**–20.0**	20	36	18	2.98	3.64	6.7	0.44	1.68	8.4	23.89	319
799	**First Union**	**–29.6**	15⅛	30	14	2.46	2.99	6.2	0.42	1.08	7.1	19.37	1,625
370	**First Wachovia**	**40.3**	39¾	45	25	4.16	4.51	9.6	1.12	1.68	4.2	25.07	2,781
549	**Firstar**	**10.9**	24¼	35	18	4.05	4.31	6.0	0.56	1.32	5.4	23.75	541
807	**FirstFed Michigan**	**–31.8**	11	30	9	2.84	2.44	3.9	0.11	0.60	5.5	39.54	122
892	**Fleet/Norstar Finl**	**–48.3**	10½	31	9	0.78	1.72	13.5	0.29	0.80	7.6	19.84	1,143
773	**Fleetwood Enterprises**	**–25.6**	18⅛	34	14	2.22	2.21	8.2	0.26	0.84	4.6	19.02	404
687	**Fleming Cos**	**–12.8**	33⅞	46	22	2.89	3.31	11.7	0.09	1.12	3.3	23.58	1,030
452	**Florida Progress**	**25.6**	38⅝	47	29	3.13	3.68	12.3	0.99	2.74	7.1	26.88	1,979
790	**Florida Rock Inds**	**–29.0**a	17¾	42	17	2.22	NA	8.0	0.41	0.50	2.8	17.33	164
710	**Flowers Industries**	**–15.3**	13⅛	22	12	0.96	1.06	13.7	0.55	0.65	5.0	6.27	457
85	**Fluor**	**155.7**	39⅝	49	11	1.67	2.23	23.7	0.44	0.24	0.6	9.03	3,171
112	**FMC**	**130.4**	26⅝	60	11	4.45	4.75	6.0	0.26	none	0.0	–2.05	928
28	**Food Lion**	**269.0**	13⅜	17	3	0.51	0.67	26.2	0.81	0.14	1.0	1.67	4,309
331	**Foodarama Supermkts**	**49.2**	22	39	14	2.21	NA	10.0	0.04	none	0.0	27.66	25
317	**Ford Motor**	**52.6**	29½	57	18	3.70	4.29	8.0	0.14	3.00	10.2	49.42	13,948
908	**Foremost Corp of Amer**	**–51.6**c	15½	44	12	–0.61	2.28	def	0.43	1.08	7.0	15.33	187
913	**LB Foster**	**–52.6**	2¼	8	2	0.19	NA	11.8	0.09	none	0.0	4.77	22
226	**Foster Wheeler**	**78.4**	22¾	29	10	1.04	1.37	21.9	0.55	0.50	2.2	13.21	806
NR	**Foundation Health**	**NA**	11½	15	10	1.61	NA	7.1	0.09	none	0.0	–13.64	79
627	**FPL Group**	**–1.8**	27¾	38	24	–2.67	2.97	def	0.61	2.36	8.5	25.89	3,752
201	**Freeport-McMoRan**	**85.4**	33⅜	38	14	5.64	2.13	5.9	1.08	2.50	7.5	6.23	1,809
898	**Fremont General**	**–49.7**	12¼	34	8	3.56	3.84	3.4	0.17	0.80	6.5	20.33	102
423	**Fruit of the Loom**	**30.0**b	6½	16	4	1.50	1.66	4.3	0.28	none	0.0	5.30	401
330	**HB Fuller**	**49.7**	26¾	48	17	2.07	2.42	12.9	0.32	0.60	2.2	19.90	247
823	**Fuqua Industries**	**–35.4**	12	38	12	0.66	1.40	18.2	0.22	0.36	3.0	18.75	213
543	**Gannett**	**11.4**	34⅛	56	26	2.41	2.52	14.2	1.54	1.24	3.6	12.40	5,393
4	**Gap**	**582.5**	30½	39	8	1.73	2.13	17.7	1.17	0.50	1.6	4.81	2,161
369	**GATX**	**40.5**	23⅞	38	15	3.14	3.84	7.6	0.56	1.10	4.6	21.73	460
NR	**Gaylord Container**	**NA**	3¼	22	3	–1.47	–0.95	def	0.07	none	0.0	11.80	50
244	**Geico**	**72.4**	150	163	78	15.19	11.20	9.9	1.16	2.00	1.3	62.48	2,276
1013	**GenCorp**	**–75.7**	5½	40	5	0.88	1.16	6.3	0.10	0.60	10.9	4.88	175
628	**General Cinema**	**–2.2**	18⅞	32	14	0.85	0.99	22.2	0.62	0.48	2.5	21.06	1,309
970	**General Dynamics**	**–66.0**	23⅜	89	19	0.83	6.14	28.2	0.10	1.00	4.3	51.12	974
320	**General Electric**	**51.9**	55¼	76	33	4.74	5.37	11.7	0.86	2.04	3.7	23.09	49,096
984	**General Host**	**–70.0**	4⅜	26	4	0.20	0.60	21.9	0.16	0.32	7.3	8.09	83
58	**General Mills**	**194.5**	45	48	14	2.42	5.96	18.6	1.10	1.28	2.8	5.97	7,344
526	**General Motors**	**13.3**	39⅞	51	25	–0.19	3.71	def	0.19	3.00	7.5	52.26	24,007
249	**General Motors EDS**	**70.7**	34⅞	38	12	2.02	2.36	17.3	0.61	0.56	1.6	18.06	3,479
629	**GM Hughes Electronics**	**–3.3**	18½	41	16	1.79	1.88	10.3	0.14	0.72	3.9	87.60	1,662
72	**General Public Utils**	**170.6**	46	47	17	5.10	5.21	9.0	0.86	2.60	5.7	37.26	2,547
235	**General Re**	**73.5**	86⅞	96	46	6.78	7.08	12.8	2.61	1.52	1.7	35.27	7,593
779	**General Signal**	**–26.9**	33⅞	61	31	1.41	4.00	24.0	0.37	1.80	5.3	26.50	648
591	**Genesco**	**3.7**	3⅝	9	2	0.30	0.72	12.1	0.17	none	0.0	5.19	82
NR	**Genlyte Group**	**NA**	4¼	14	4	0.79	0.85	5.4	0.11	none	0.0	3.89	55
686	**Genovese Drug Stores**	**–12.8**	5⅞	15	6	0.51	NA	11.5	0.09	0.24	4.1	5.38	39
355	**Genuine Parts**	**44.1**	36⅝	44	24	2.65	2.89	13.8	0.86	1.38	3.8	12.54	2,838
NR	**Georgia Gulf**	**NA**	6½	11	5	4.24	1.54	1.5	0.23	none	0.0	13.52	218
424	**Georgia-Pacific**	**29.7**	34⅜	62	23	5.38	3.98	6.4	0.24	1.60	4.7	31.35	2,933
74	**Gerber Products**	**167.8**	56¾	59	11	2.75	3.76	20.6	1.83	1.20	2.1	9.87	2,144
834	**Getty Petroleum**	**–36.7**	10	25	10	0.93	2.00	10.7	0.11	0.28	2.8	9.32	130
180	**Giant Food**	**92.5**	25½	36	12	1.90	2.25	13.4	0.46	0.60	2.4	8.25	1,519
493	**Gibson Greetings**	**18.7**	23	29	11	2.48	2.81	9.3	0.72	0.34	1.5	14.41	364
35	**Gillette**	**246.8**	60¼	65	17	2.93	3.84	20.6	1.40	1.08	1.8	6.16	5,835
NR	**Gitano Group**	**NA**	13½	40	10	2.24	3.01	6.0	0.24	none	0.0	9.07	191

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Sources: Forbes, Media General, Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
186	**PH Glatfelter**	**90.3**	36⅝	49	19	3.54	3.94	10.3	1.41	1.20	3.3	16.26	858
936	**GlenFed**	**–57.1**	7½	34	6	3.67	2.34	2.0	0.10	0.60	8.0	38.73	256
293	**Golden West Finl**	**58.1**	24½	35	10	2.86	3.34	8.6	0.74	0.18	0.7	16.61	1,548
538	**Goldome**	**12.0b**	½	8	÷	0.82	NA	0.7	0.01	none	0.0	2.37	16
569	**BF Goodrich**	**7.6**	35⅜	69	28	5.55	3.45	6.4	0.37	2.12	6.0	46.73	898
903	**Goodyear**	**–51.2**	15¼	77	13	–0.67	1.66	def	0.08	1.80	11.8	37.09	887
595	**Goulds Pumps**	**3.0**	17	29	14	0.08	1.61	212.5	0.65	0.76	4.5	8.86	350
652	**WR Grace**	**–6.5**	22⅜	39	17	2.46	2.53	9.1	0.29	1.40	6.3	20.16	1,920
298	**WW Grainger**	**57.0**	60¼	78	37	4.57	4.92	13.2	0.87	1.16	1.9	26.88	1,655
1063	**Great American Bank**	**–94.6**	¾	25	÷	–14.26	–0.45	def	0.01	none	0.0	15.67	19
282	**Great American Mgmt**	**61.3**	25	26	14	3.67	NA	6.8	0.13	0.84	3.4	17.44	278
184	**Great A&P Tea**	**90.3**	41⅝	65	19	4.00	4.86	10.4	0.14	0.80	1.9	28.59	1,590
60	**Great Lakes Chemical**	**189.7**	56⅛	68	15	3.87	4.42	14.5	1.96	0.48	0.9	16.86	1,970
730	**Gt Western Financial**	**–19.6**	11⅛	25	9	0.88	2.39	12.6	0.35	0.84	7.5	15.48	1,436
402	**Grey Advertising**	**34.7**	128	192	82	10.99	NA	11.6	0.32	2.90	2.3	83.21	145
789	**Greyhound Dial**	**–29.0**	23	46	19	0.38	3.05	60.5	0.26	1.40	6.1	27.57	914
1011	**Grossman's**	**–75.0a**	1¹⁵/₁₆	11	2	0.26	0.30	7.5	0.06	none	0.0	4.48	51
703	**Grow Group**	**–14.1**	8⅜	16	6	–0.14	NA	def.	0.23	0.10	1.2	5.43	95
888	**Grumman**	**–46.2**	17	33	13	2.41	2.40	7.1	0.14	1.00	5.9	24.79	531
196	**GTE**	**88.3**	28⅞	36	15	2.23	2.33	13.0	1.05	1.58	5.5	13.08	19,244
798	**Guilford Mills**	**–29.6**	15	40	14	–0.92	2.10	def	0.26	0.80	5.3	19.68	138
757	**Gulf States Utils**	**–23.1**	10	15	5	–1.02	0.84	def	0.65	none	0.0	17.82	1,081
769	**Hadson**	**–24.8**	1⅞	10	1	–4.31	0.22	def	0.13	none	0.0	3.33	71
261	**Halliburton**	**67.7**	46⅛	59	17	1.75	2.60	26.4	0.73	1.00	2.2	19.90	4,917
722	**Handleman**	**–18.2**	10½	24	6	1.05	1.54	10.0	0.46	0.40	3.8	6.73	344
852	**Handy & Harman**	**–40.1**	11	28	10	0.55	1.22	20.0	0.27	0.66	6.0	8.34	154
420	**MA Hanna**	**30.6**	17⅝	30	11	1.92	2.07	9.2	0.44	0.60	3.4	19.53	491
98	**Hannaford Bros**	**144.1**	32½	41	12	2.09	2.46	15.5	0.39	0.44	1.4	10.96	641
691	**Hanover Insurance**	**–13.1**	22⅜	38	21	2.27	2.42	9.9	0.27	0.44	2.0	35.92	462
1040	**Harcourt Brace**	**–83.9b**	1⅛	19	÷	3.26	–1.54	0.3	0.06	none	0.0	–20.45	82
99	**Harken Energy**	**143.4**	2⅛	7	÷	–1.28	NA	def	0.08	none	0.0	2.04	70
50	**Harley-Davidson**	**207.2a**	16⅛	34	4	2.58	2.85	6.3	0.32	none	0.0	8.97	281
821	**Harman International**	**–35.0a**	8⅛	24	6	1.32	1.37	6.2	0.12	none	0.0	11.65	71
567	**Harnischfeger Inds**	**7.8**	13⅞	30	9	2.06	2.03	6.7	0.26	0.20	1.4	15.90	449
811	**Harris Corp**	**–33.0**	18¼	43	14	3.08	2.86	5.9	0.24	1.04	5.7	27.02	732
647	**Harsco**	**–5.4**	21¾	39	18	1.86	2.67	11.7	0.36	1.20	5.5	15.05	570
51	**Hartford Steam Boiler**	**207.2**	48	62	16	3.80	3.49	12.6	1.83	1.80	3.8	16.91	994
1002	**Hartmarx**	**–72.9**	7⅛	35	6	–2.71	0.65	def	0.11	0.60	8.4	19.11	140
698	**Hasbro**	**–13.7**	15	31	10	1.46	1.63	10.3	0.61	0.20	1.3	13.67	881
490	**Hawaiian Electric**	**19.4**	30	40	22	2.56	3.13	11.7	0.67	2.20	7.3	26.63	647
463	**Healthco Intl**	**23.9**	14¾	24	11	–3.32	NA	def	0.25	none	0.0	16.16	114
910	**Hechinger**	**–52.0**	8¼	27	7	0.92	1.05	9.0	0.21	0.06	0.7	11.00	297
149	**HJ Heinz**	**108.5**	33¾	37	15	1.97	2.38	17.2	1.40	0.96	2.8	7.61	8,674
141	**Helene Curtis Inds**	**113.0**	24⅝	35	10	0.89	1.91	27.7	0.31	0.20	0.8	15.22	237
NR	**Henley Group**	**NA**	15½	48	15	–10.66	–7.00	def	0.17	none	0.0	54.04	325
786	**Hercules**	**–28.6**	28⅛	74	26	–2.89	3.14	def	0.42	2.24	8.0	40.77	1,320
147	**Hershey Foods**	**110.5**	36⅛	40	16	2.48	2.49	14.6	1.24	0.90	2.5	12.39	3,258
758	**Hewlett-Packard**	**–23.1**	28¼	74	25	3.06	3.53	9.2	0.52	0.42	1.5	22.92	6,848
886	**Hexcel**	**–45.2**	10⅛	43	7	0.05	1.03	202.6	0.17	0.44	4.3	18.95	71
1062	**Highland Superstores**	**–93.9**	1⅝	39	2	–0.55	NA	def	0.03	none	0.0	6.74	30
80	**Hillenbrand Inds**	**162.7**	35⅛	48	13	2.07	2.38	17.0	1.05	0.55	1.6	10.91	1,300
NR	**Hillhaven**	**NA**	1⅞	2	÷	NA	0.02	NA	0.17	none	0.0	1.67	193
979	**Hills Dept Stores**	**–69.2b**	2	13	2	–0.14	0.18	def	0.02	none	0.0	0.63	38
614	**Hilton Hotels**	**1.0**	32¾	116	26	2.31	2.50	14.2	1.55	1.20	3.7	18.38	1,574
19	**Holly Corp**	**312.3c**	21⅛	41	5	2.90	2.95	7.3	0.40	0.48	2.3	2.89	174
NR	**Holnam**	**NA**	2⅜	8	2	–0.17	NA	def	0.26	none	0.0	3.95	268
2	**Home Depot**	**851.9**	35¼	44	3	1.26	1.69	28.0	1.16	0.12	0.3	4.57	4,094
1015	**Home Shopping**	**–75.8a**	4½	47	3	0.35	0.55	12.9	0.40	none	0.0	1.56	406
997	**HomeFed**	**–72.2**	7⅜	48	5	–1.82	2.01	def	0.08	0.20	2.7	50.51	159
1061	**Homestead Financial**	**–93.9**	½	13	÷	–2.54	NA	def	0.02	none	0.0	7.40	5
161	**HON Industries**	**100.0**	15¼	23	7	0.92	1.38	16.7	0.77	0.30	2.0	3.76	503
474	**Honeywell**	**22.1**	45¼	56	25	8.17	4.78	5.5	0.55	1.50	3.3	23.98	3,458
88	**Geo A Hormel**	**153.6**	16¼	19	6	1.01	1.20	16.1	0.46	0.30	1.8	6.15	1,246
939	**Horn & Hardart**	**–57.4**	3¼	19	2	–1.06	0.59	def	0.07	none	0.0	4.37	46

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Sources: Forbes, Media General, Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	1986-90 price range high	low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
643	**Houghton Mifflin**	**–5.4**	22	50	18	1.76	1.92	12.5	0.73	0.74	3.4	14.04	314
843	**Household Intl**	**–38.5**	26	66	19	5.87	6.57	4.4	0.22	2.20	8.5	32.71	918
455	**Houston Industries**	**25.0**	35	39	27	3.22	2.98	10.9	1.09	2.96	8.5	29.05	4,445
229	**Hubbell**	**77.3**	40	50	22	2.96	3.28	13.5	1.57	1.48	3.7	15.21	1,124
925	**Hudson Foods**	**–54.1a**	7	21	5	0.60	1.00	11.7	0.15	0.12	1.7	8.27	102
191	**Huffy**	**89.1**	14½	26	7	2.12	2.10	6.8	0.26	0.40	2.8	11.15	127
794	**Hughes Supply**	**–29.3**	11⅛	22	11	0.96	1.54	11.6	0.09	0.36	3.2	19.89	48
391	**Humana**	**36.4**	42⅝	51	16	3.08	3.43	13.8	0.92	1.20	2.8	13.48	4,443
476	**JB Hunt Transport**	**21.8**	16¾	32	12	1.35	1.49	12.4	0.72	0.24	1.4	7.43	396
671	**Huntington Bcshs**	**–10.7**	12¼	20	9	1.46	2.06	8.4	0.58	0.80	6.5	12.79	719
494	**IBP**	**18.7b**	15⅛	20	11	1.05	1.34	14.4	0.07	0.60	4.0	10.51	716
1036	**ICH**	**–83.3**	3	33	2	–5.16	0.88	def	0.08	none	0.0	5.72	145
484	**IE Industries**	**20.5**	25	28	20	4.39	2.45	5.7	0.81	2.10	8.4	19.47	362
NR	**Illinois Central**	**NA**	11⅛	17	9	1.71	1.95	6.5	0.48	none	0.0	NA	264
830	**Illinois Power**	**–36.1**	15¼	32	13	0.44	1.52	34.7	0.85	none	0.0	20.56	1,153
95	**Illinois Tool Works**	**147.9**	43⅜	57	16	3.29	3.66	13.2	0.97	0.72	1.7	16.23	2,347
NR	**IMC Fertilizer Group**	**NA**	35¼	50	23	3.24	3.89	10.9	0.83	1.08	3.1	31.13	928
188	**Imcera Group**	**89.6**	65⅞	67	25	2.93	3.98	22.5	1.00	1.00	1.5	35.91	1,495
540	**Imo Industries**	**12.0a**	7⅝	23	7	1.43	1.37	5.3	0.13	0.50	6.6	18.20	137
NR	**Imperial Holly**	**NA**	15⅛	27	5	1.99	3.00	7.6	0.21	0.40	2.6	11.81	153
536	**Inacomp Computer**	**12.2**	5¾	12	3	0.95	1.30	6.1	0.08	none	0.0	7.21	40
771	**INB Financial**	**–24.9**	17¾	35	15	2.59	3.47	6.9	0.50	1.20	6.8	24.81	324
207	**Inco**	**84.0c**	24⅜	38	11	4.46	3.02	5.5	0.80	1.00	4.1	13.01	2,542
712	**Independent Insurance**	**–16.0**	14¾	23	13	2.17	2.57	6.8	0.36	0.84	5.7	24.82	196
274	**Ingersoll-Rand**	**63.6**	35	61	20	3.89	3.85	9.0	0.49	1.32	3.8	26.73	1,803
486	**Ingles Markets**	**20.0b**	8¼	13	7	0.67	0.88	12.3	0.15	0.22	2.7	6.97	147
548	**Inland Steel Inds**	**11.1**	25⅛	49	15	0.66	2.03	38.1	0.20	1.40	5.6	43.46	799
822	**Inspiration Resource**	**–35.0**	3¼	10	3	0.06	0.63	54.2	0.15	0.12	3.7	7.19	215
744	**Instrument Systems**	**–21.1**	1⅜	3	†	0.35	NA	3.9	0.09	none	0.0	1.81	41
173	**Intel**	**94.3**	37⅞	52	11	3.04	3.61	12.5	1.97	none	0.0	13.81	7,435
17	**Intelligent Electron**	**312.9b**	16	24	3	1.80	2.42	8.9	0.16	none	0.0	6.52	210
NR	**Interco**	**NA**	⅛	4	†	–5.57	NA	def	0.00	none	0.0	–37.50	6
461	**Interface**	**24.3**	9⅝	20	6	1.49	0.75	6.5	0.27	0.24	2.5	9.14	165
981	**Intergraph**	**–69.4**	11¼	40	11	1.33	1.43	8.5	0.57	none	0.0	12.58	565
1041	**Interlake**	**–84.1c**	4⅛	62	4	–1.68	0.47	def	0.05	none	0.0	–16.92	45
976	**Intermark**	**–68.7**	2⅞	15	3	–4.00	NA	def	0.04	none	0.0	5.57	43
781	**IBM**	**–27.0**	113½	176	93	7.25	11.02	15.7	0.98	4.84	4.3	67.01	65,018
216	**Intl Flavors & Frags**	**81.9**	72¾	78	35	3.99	4.52	18.2	2.97	2.16	3.0	20.09	2,772
430	**Intl Multifoods**	**29.3**	34⅜	40	23	2.01	2.96	17.1	0.21	1.18	3.4	23.52	443
170	**International Paper**	**95.1**	49½	60	24	6.82	5.63	7.3	0.43	1.68	3.4	47.35	5,396
121	**Interpublic Group**	**122.2**	31¾	38	14	2.23	2.67	14.2	0.83	0.76	2.4	10.63	1,070
361	**InterTAN**	**42.9b**	21¼	63	10	2.62	4.12	8.1	0.27	none	0.0	25.83	190
542	**Iowa-Illinois G&E**	**11.5**	20	24	17	1.89	2.09	10.6	1.02	1.67	8.4	16.14	507
373	**Ipalco Enterprises**	**39.5**	26¼	30	19	2.63	2.72	10.0	1.62	1.80	6.9	18.88	986
609	**Itel**	**1.3**	9⅞	29	8	0.42	1.16	23.5	0.21	none	0.0	15.82	479
447	**ITT**	**26.3**	48	66	35	8.48	6.70	5.7	0.28	1.72	3.6	62.10	5,760
5	**Jacobs Engineering**	**532.4**	23	27	3	1.28	1.49	18.0	0.29	none	0.0	5.47	258
688	**James River Corp Va**	**–12.9**	23	44	19	0.63	2.90	36.5	0.34	0.60	2.6	28.41	1,877
1026	**Jamesway**	**–78.7**	2¼	16	2	–0.06	0.48	def	0.03	0.08	3.6	9.51	31
572	**Jefferson-Pilot**	**7.0**	35½	46	23	4.29	4.15	8.3	1.12	1.52	4.3	39.46	1,295
91	**Johnson & Johnson**	**151.8**	66¼	74	24	3.34	4.36	19.8	2.01	1.36	2.1	12.45	22,071
624	**Johnson Controls**	**–1.0**	24¼	47	17	2.13	2.40	11.4	0.21	1.24	5.1	29.14	955
151	**Jostens**	**107.9**	29⅞	30	13	1.52	1.73	19.7	1.49	0.80	2.7	6.42	1,195
59	**JWP**	**192.3**	15¼	30	5	1.49	1.89	10.5	0.23	none	0.0	5.57	593
498	**Kmart**	**18.2**	27⅞	48	22	1.67	4.14	16.7	0.17	1.72	6.2	24.90	5,567
902	**Kaman**	**–50.4**	7⅛	21	6	1.07	1.19	6.7	0.16	0.44	6.2	10.03	130
386	**Kansas City P&L**	**37.0**	31	36	21	3.34	3.43	9.3	1.26	2.68	8.6	27.00	959
728	**Kansas City Southern**	**–19.2**	39	80	32	5.12	4.19	7.6	0.78	1.08	2.8	36.95	407
185	**Kansas Gas & Elec**	**90.3**	26⅞	27	14	1.83	1.99	14.7	1.44	1.72	6.4	19.50	833
560	**Kansas Power & Light**	**8.8**	21⅝	33	20	2.06	2.29	10.5	0.63	1.80	8.3	17.80	748
853	**Kaufman & Broad Home**	**–40.2a**	6½	22	5	2.02	1.33	3.2	0.12	0.30	4.6	6.76	180
150	**Kellogg**	**108.3**	72⅛	82	32	3.73	4.60	19.4	1.78	1.92	2.7	13.41	8,725
894	**Kellwood**	**–49.2**	8¼	41	5	0.36	1.81	22.9	0.13	0.80	9.7	16.75	97
442	**Kelly Services**	**27.0**	31½	42	23	2.38	2.61	13.2	0.69	0.66	2.1	9.44	1,011

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Rank	Company	5-year price change %	Recent price	1986-90 price range high	low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
741	**Kemper**	−20.9	19¼	52	17	0.33	4.30	58.3	0.32	0.92	4.8	35.14	941
472	**Kennametal**	22.5	27¼	40	20	3.12	3.27	8.7	0.47	1.16	4.3	22.04	286
928	**Kentucky Central Life**	−54.7	8	21	7	1.79	2.39	4.5	0.23	0.40	5.0	23.62	107
380	**Kentucky Utilities**	38.8	21¼	24	15	2.11	2.05	10.1	1.45	1.46	6.9	13.94	804
947	**Kerr Glass Mfg**	−58.3	5	18	5	−0.59	0.20	def	0.06	none	0.0	10.94	18
415	**Kerr-McGee**	32.0	44⅞	54	24	2.75	3.43	16.3	0.65	1.44	3.2	31.93	2,249
704	**KeyCorp**	−14.2	21⅞	31	17	3.45	3.94	6.3	0.54	1.36	6.2	22.93	923
553	**Kimball International**	10.3	17⅜	26	13	2.01	1.99	8.6	0.61	0.68	3.9	13.18	368
103	**Kimberly-Clark**	138.8	80	83	32	5.38	6.24	14.9	1.03	2.72	3.4	25.85	6,381
301	**KN Energy**	55.8	25⅛	27	12	1.95	1.93	12.9	0.62	1.12	4.5	15.66	237
599	**Knight-Ridder**	2.5	40⅞	61	33	3.27	3.20	12.5	0.88	1.32	3.2	17.83	2,051
NR	**Kroger**	NA	12½	20	7	0.25	1.08	50.0	0.05	none	0.0	−35.42	1,061
9	**LA Gear**	451.6a	11⅜	50	2	2.45	2.25	4.6	0.25	none	0.0	8.80	221
590	**La-Z-Boy Chair**	3.8	13⅞	24	12	1.45	1.63	9.6	0.41	0.56	4.0	11.98	248
576	**Laclede Gas**	6.3	31¼	41	26	1.83	NA	17.3	0.51	2.40	7.6	23.49	247
887	**LADD Furniture**	−46.1	4¾	25	4	0.44	0.76	10.8	0.17	0.28	5.9	7.00	89
465	**Lafarge**	23.9	10⅜	21	8	1.23	1.28	8.4	0.33	0.40	3.9	15.79	529
464	**Lancaster Colony**	23.9	16	26	13	1.34	1.81	11.9	0.37	0.80	5.0	11.90	189
387	**Lance**	37.0	21¾	27	15	1.49	1.65	14.6	1.54	0.84	3.9	6.97	681
1027	**Landmark Land**	−79.4	4⅜	25	4	−11.72	NA	def	0.07	none	0.0	1.34	35
634	**Lands' End**	−4.1a	11⅝	36	9	0.82	1.32	14.2	0.40	0.20	1.7	5.76	231
583	**Leggett & Platt**	4.9	23¼	38	20	2.62	2.83	8.9	0.38	0.84	3.6	16.34	410
672	**Lennar**	−10.9	11¼	35	10	1.90	1.32	5.9	0.29	0.24	2.1	25.85	113
699	**Leslie Fay Cos**	−13.8a	10⅛	17	4	1.50	1.88	6.8	0.23	none	0.0	8.36	193
219	**Leucadia National**	80.6	21	25	9	7.07	3.13	3.0	0.39	none	0.0	19.77	262
414	**LG&E Energy**	32.1	39⅝	44	29	3.00	3.59	13.2	1.20	2.84	7.2	28.63	840
459	**Liberty Corp**	24.5	42½	53	33	4.42	3.57	9.6	0.94	0.92	2.2	33.59	333
30	**Lifetime**	258.4	21½	35	5	1.88	2.27	11.4	0.28	none	0.0	13.17	185
84	**Eli Lilly**	156.1	71⅜	90	25	3.74	4.69	19.1	3.97	1.64	2.3	13.92	19,440
349	**Limited**	45.2	15⅛	26	8	1.05	1.32	14.5	1.07	0.24	1.6	3.45	5,442
335	**Lincoln Electric**	48.6	260	285	170	29.64	NA	8.8	0.38	7.20	2.8	231.35	277
756	**Lincoln National**	−22.9	38⅝	63	31	5.17	5.54	7.5	0.19	2.72	7.0	52.14	1,613
1021	**Lionel**	−77.3	1¼	11	1	−0.23	NA	def	0.04	none	0.0	6.39	17
664	**Litton Industries**	−8.5	76⅝	108	64	7.29	7.43	10.5	0.36	none	0.0	57.63	1,839
767	**LIVE Entertainment**	−24.5	11⅛	25	8	1.30	2.87	8.6	0.19	none	0.0	10.90	125
131	**Liz Claiborne**	118.6	26½	39	12	2.18	2.61	12.2	1.41	0.25	0.9	6.94	2,307
829	**Lockheed**	−36.1	31⅜	62	25	1.98	5.05	15.8	0.20	1.80	5.7	40.38	1,983
46	**Loctite**	219.1	54¼	61	17	3.56	4.10	15.2	1.85	1.20	2.2	15.73	988
247	**Loews**	71.3	93⅜	135	54	11.84	10.98	7.9	0.58	1.00	1.1	64.09	6,909
1019	**Lone Star Industries**	−77.0	7	42	5	−16.94	0.49	def	0.43	none	0.0	21.54	116
916	**Lone Star Tech**	−52.9	4	24	2	−4.98	0.91	def	0.13	none	0.0	4.47	81
94	**Long Island Lighting**	148.5	19⅞	22	6	1.68	2.38	11.8	0.90	1.50	7.5	17.45	2,212
462	**Longs Drug Stores**	24.1	38	49	25	3.03	3.48	12.5	0.34	1.04	2.7	17.86	765
222	**Longview Fibre**	79.6	9⅞	16	5	1.11	1.21	8.9	0.79	0.55	5.6	7.05	540
649	**Loral**	−6.2	34¼	49	24	3.18	4.16	10.8	0.62	0.88	2.6	22.83	877
140	**Lotus Development**	113.0	17¾	39	7	1.96	2.31	9.1	1.16	none	0.0	6.69	753
309	**Louisiana Land**	55.0	46⅞	54	23	1.35	2.19	34.7	1.67	1.00	2.1	15.53	1,318
479	**Louisiana-Pacific**	21.0	25⅜	45	20	3.92	3.28	6.5	0.51	1.08	4.3	34.38	988
724	**Lowe's Cos**	−18.3	21⅛	50	15	2.20	2.44	9.6	0.28	0.52	2.5	17.33	787
943	**LSI Logic**	−57.5	6⅜	21	5	0.24	0.72	26.6	0.43	none	0.0	7.24	265
1055	**LTV**	−90.7	⅝	10	†	1.18	NA	0.5	0.01	none	0.0	−39.76	71
276	**Lubrizol**	63.4	45¾	46	25	4.85	3.65	9.4	1.19	1.52	3.3	17.92	1,622
36	**Lukens**	245.9	31⅛	45	8	5.57	5.20	5.6	0.38	1.48	4.8	25.19	259
1067	**LVI Group**	−96.4	⅛	9	†	−1.71	−0.25	def	0.01	none	0.0	0.05	2
NR	**Lyondell Petrochem**	NA	15¼	34	13	4.34	2.13	3.5	0.21	1.60	10.5	0.11	1,220
972	**M/A-Com**	−66.7	5	19	3	−4.32	0.75	def	0.33	none	0.0	8.49	123
815	**Magma Copper**	−33.9b	4⅝	14	4	2.11	1.03	2.2	0.17	none	0.0	10.83	129
NR	**MagneTek**	NA	8	14	7	1.46	1.48	5.5	0.17	none	0.0	5.77	183
1058	**MAI Systems**	−91.5a	$^{15}/_{16}$	21	†	0.03	NA	31.3	0.02	none	0.0	3.20	14
678	**Manor Care**	−11.9	15¾	26	10	0.74	1.05	21.3	0.83	0.13	0.8	5.78	604
946	**Manufacturers Hanover**	−57.8	19⅞	58	15	4.10	4.25	4.8	0.17	3.28	16.5	41.50	1,311
579	**Manufacturers Natl**	5.6	42½	60	31	7.01	7.42	6.1	0.57	2.32	5.5	43.26	640
1052	**Manville**	−89.6	5	71	4	1.12	0.97	4.5	0.11	none	0.0	6.36	240
110	**Mapco**	131.6	44	47	18	4.07	4.59	10.8	0.55	1.00	2.3	14.17	1,327

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Sources: Forbes; Media General; Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
65	**Marion Merrell Dow**	**182.0**	32¼	42	11	1.51	1.97	21.4	4.14	0.80	2.5	3.55	8,975
441	**Mark IV Industries**	**27.2**	7⅝	15	5	4.04	NA	1.9	0.13	0.10	1.3	11.16	106
917	**Marriott**	**–53.0**	10¼	44	8	1.01	1.54	10.1	0.13	0.28	2.7	6.11	972
204	**Marsh & McLennan Cos**	**84.7**	75¼	90	41	4.18	4.75	18.0	2.09	2.60	3.5	12.05	5,526
122	**Marsh Supermarkets**	**121.6**	16¼	20	7	1.57	1.85	10.4	0.12	0.40	2.5	9.42	126
613	**Marshall & Ilsley**	**1.0**	26	38	23	3.61	3.70	7.2	0.70	1.20	4.6	25.70	577
248	**Marshall Industries**	**71.1**	18½	30	8	2.33	2.82	7.9	0.28	none	0.0	16.65	156
512	**Martin Marietta**	**15.2**	40⅞	57	32	6.74	6.92	6.1	0.34	1.50	3.7	26.67	2,077
716	**Masco**	**–17.4**	16⅝	41	14	1.17	1.61	14.2	0.80	0.56	3.4	11.94	2,588
725	**Masco Industries**	**–18.5**	4⅜	19	4	0.00	0.54	NA	0.22	none	0.0	5.02	340
300	**Mattel**	**56.2**	19⅛	26	6	1.92	2.33	10.0	0.69	0.12	0.6	4.41	971
817	**Maxtor**	**–33.9**	4¾	33	4	0.92	1.65	5.2	0.15	none	0.0	7.48	97
312	**Maxus Energy**	**53.6b**	10¾	17	6	–0.62	0.52	def	1.69	none	0.0	–0.56	1,075
126	**Maxxam**	**119.8**	30½	68	8	17.22	29.82	1.8	0.11	none	0.0	25.07	263
404	**May Dept Stores**	**34.0**	41⅞	59	22	3.97	4.62	10.5	0.52	1.58	3.8	20.56	5,217
866	**Maytag**	**–42.2**	11¼	32	10	1.19	1.13	9.5	0.38	0.95	8.4	9.52	1,189
411	**MCA**	**33.0**	65½	71	30	2.68	3.01	24.4	1.27	0.68	1.0	25.33	4,925
616	**McCaw Cellular**	**0.8b**	16¼	47	11	2.54	–1.65	6.4	3.25	none	0.0	6.15	2,892
82	**McCormick & Co**	**159.8**	22¼	27	8	1.52	1.70	14.6	0.70	0.48	2.2	8.35	895
326	**McDermott Intl**	**50.7**	27½	35	13	–0.12	1.10	def	0.43	1.00	3.6	15.24	1,205
287	**McDonald's**	**60.0**	28¾	39	16	2.15	2.48	13.4	1.57	0.34	1.2	10.20	10,313
804	**McDonnell Douglas**	**–30.8**	51⅝	95	34	9.56	5.22	5.4	0.12	2.82	5.5	85.87	1,967
615	**McGraw-Hill**	**0.8**	48⅜	86	40	0.47	3.83	102.9	1.24	2.16	4.5	18.08	2,355
63	**MCI Communications**	**183.4**	31⅞	48	5	1.12	3.23	28.5	1.09	0.10	0.3	6.38	8,038
546	**McKesson**	**11.2**	29⅛	40	23	2.24	2.70	13.0	0.14	1.60	5.5	20.85	1,133
NR	**MCN**	**NA**	21	24	17	1.63	2.27	12.9	0.40	1.64	7.8	13.17	488
1071	**MDC Holdings**	**–97.4**	¼	23	†	–3.92	NA	def	0.01	none	0.0	7.89	6
592	**Mead**	**3.7**	23	50	20	2.48	2.43	9.3	0.30	1.00	4.3	26.55	1,432
68	**Medco Containment**	**173.6**	29	30	8	0.19	0.92	152.6	1.27	0.04	0.1	6.16	1,374
708	**Media General**	**–15.1**	16⅞	51	16	0.82	0.96	20.6	0.69	0.44	2.6	10.02	427
18	**Medtronic**	**312.6**	89¾	89	21	4.15	5.25	21.6	2.85	0.82	0.9	21.43	2,654
934	**Mellon Bank**	**–56.4**	22¾	73	18	5.13	4.97	4.4	0.29	1.40	6.2	34.54	1,002
311	**Melville**	**54.0**	38⅞	58	22	3.51	4.16	11.1	0.49	1.42	3.7	17.99	4,003
785	**Mercantile Bancorp**	**–28.4**	19½	37	17	3.16	3.63	6.2	0.42	1.40	7.2	25.14	316
681	**Mercantile Stores**	**–12.4**	27¾	53	24	3.57	3.98	7.7	0.43	0.97	3.5	29.24	1,009
27	**Merck**	**269.6**	84⅜	91	22	4.35	5.34	19.4	4.50	2.24	2.7	8.90	32,986
658	**Mercury General**	**–7.6**	18¼	25	11	4.07	3.19	4.5	0.46	0.60	3.3	13.07	246
813	**Meredith**	**–33.3**	22½	43	21	1.69	1.84	13.3	0.56	0.64	2.8	17.19	417
831	**Meridian Bancorp**	**–36.6**	12⅛	28	11	0.67	2.28	18.1	0.39	1.20	9.9	17.68	491
NR	**Merisel**	**NA**	2	8	2	0.28	0.82	7.1	0.05	none	0.0	4.08	48
1056	**Meritor Savings Bank**	**–90.7**	15/16	13	†	–6.35	–0.88	def	0.04	none	0.0	8.66	33
880	**Merrill Lynch**	**–44.7**	19	47	16	–2.22	1.89	def	0.18	1.00	5.3	27.77	1,961
21	**Merry-Go-Round**	**288.4**	17⅞	28	3	1.54	1.84	11.6	0.70	0.10	0.6	4.63	414
639	**Fred Meyer**	**–4.8a**	12½	23	10	–0.21	1.69	def	0.12	none	0.0	11.18	281
868	**Michigan National**	**–42.6**	18½	58	13	4.58	4.63	4.0	0.27	2.00	10.8	50.03	277
87	**MicroAge**	**154.4b**	11⅛	19	4	1.46	1.85	7.6	0.08	none	0.0	6.53	49
527	**Micron Technology**	**13.3**	9⅝	26	4	0.13	0.66	74.1	1.06	none	0.0	12.97	354
8	**Microsoft**	**476.1a**	69½	81	6	2.62	3.12	26.6	5.84	none	0.0	8.08	7,689
1039	**Midlantic**	**–83.7**	7⅛	52	7	–4.39	1.29	def	0.11	1.00	14.0	38.51	272
762	**Midway Airlines**	**–23.6**	5¼	22	5	–8.19	–1.90	def	0.08	none	0.0	[illegible].36	53
445	**Midwest Resources**	**26.6**	18¾	24	14	1.38	NA	13.6	1.02	1.56	8.3	12.58	938
776	**Herman Miller**	**–26.7**	17⅛	31	16	1.90	2.15	9.0	0.49	0.52	3.0	12.27	439
394	**Millipore**	**35.7**	30⅞	46	23	1.95	2.28	15.8	1.26	0.44	1.4	14.61	861
492	**Mine Safety Appliance**	**18.8**	47½	62	25	4.45	NA	10.7	0.68	0.88	1.9	37.73	309
223	**Minn Mining & Mfg**	**79.4**	80½	91	43	5.88	6.47	13.7	1.41	2.92	3.6	26.61	17,869
429	**Minnesota Power & Lt**	**29.4**	25⅝	35	19	2.43	2.58	10.5	1.58	1.86	7.3	20.83	748
242	**Mitchell Energy**	**72.7**	22⅞	25	8	0.63	1.12	36.3	1.60	0.32	1.4	12.41	1,074
1053	**MLX**	**–89.8a**	½	9	†	–1.00	NA	def	0.03	none	0.0	1.36	14
1003	**MNC Financial**	**–73.5**	4¾	29	4	–1.96	0.87	def	0.13	1.16	24.4	18.66	403
183	**Mobil**	**90.5**	57⅝	70	27	4.10	5.15	14.1	0.44	2.90	5.0	40.77	23,409
275	**Modine Manufacturing**	**63.4**	19	23	11	1.84	1.95	10.3	0.63	0.68	3.6	12.47	284
333	**Molex**	**49.0**	21¾	28	13	1.29	1.35	16.9	1.80	0.02	0.1	9.65	1,117
1054	**Monarch Capital**	**–90.0**	5½	91	4	–15.30	1.21	def	0.09	none	0.0	42.91	40
198	**Monsanto**	**86.4**	44½	62	22	4.65	4.97	9.6	0.65	1.94	4.4	29.79	5,747

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Rank	Company	5-year price change %	Recent price	1986-90 price range high	low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
491	**Montana Power**	**18.9**	19½	22	15	1.52	1.93	12.7	1.17	1.42	7.4	16.12	953
511	**Moore Corp**	**15.5**	23⅛	34	17	1.62	1.93	14.4	0.78	0.94	4.0	15.27	2,206
427	**JP Morgan & Co**	**29.4**	41½	54	27	3.84	4.56	10.8	0.74	1.82	4.4	21.77	7,690
948	**Morgan Products Ltd**	**−59.0**	6¼	31	6	−0.43	0.59	def	0.13	none	0.0	9.81	53
440	**Morgan Stanley**	**27.5a**	55⅛	80	26	9.14	7.73	6.0	0.33	1.50	2.7	47.85	2,003
726	**Morrison**	**−18.9**	12¾	34	13	1.26	1.96	10.1	0.24	0.64	5.0	10.35	217
736	**Morrison Knudsen**	**−20.6**	37½	61	30	2.89	3.50	13.0	0.25	1.48	3.9	21.97	427
NR	**Morton International**	**NA**	44¼	46	32	2.96	3.04	14.9	1.22	0.96	2.2	21.00	2,124
356	**Motorola**	**44.1**	56	88	34	3.99	4.81	14.0	0.69	0.76	1.4	29.16	7,365
209	**Multimedia**	**83.0**	55⅛	108	27	3.81	4.74	14.5	1.31	none	0.0	−43.06	624
405	**Murphy Oil**	**33.9**	39½	48	20	3.09	2.77	12.8	0.74	1.00	2.5	22.71	1,339
507	**Nacco Industries**	**16.7**	27⅛	71	19	5.69	5.23	4.8	0.17	0.60	2.2	33.89	241
232	**Nalco Chemical**	**75.3**	46⅞	61	24	3.29	3.66	14.2	1.40	1.60	3.4	12.18	1,634
538	**Nash Finch**	**12.0**	17½	28	15	1.62	1.97	10.8	0.08	0.68	3.9	14.45	190
100	**Nashua**	**142.2**	38	45	15	2.77	4.15	13.7	0.42	0.72	1.9	25.53	246
436	**National City**	**27.6**	28	42	22	4.39	4.62	6.4	0.64	1.88	6.7	24.86	1,696
983	**Natl Convenience**	**−69.8**	3⅛	14	3	−0.43	0.30	def	0.07	none	0.0	4.42	70
1022	**National Education**	**−77.3**	3¼	31	2	−1.50	0.40	def	0.25	none	0.0	5.33	96
286	**National Fuel Gas**	**60.0**	23	28	14	1.83	2.09	12.6	0.73	1.42	6.2	16.44	652
NR	**National Health Labs**	**NA**	14¼	17	7	0.79	0.97	18.0	2.92	none	0.0	3.33	1,412
922	**National Intergroup**	**−53.4**	12¾	29	10	−12.49	2.00	def	0.10	none	0.0	32.25	277
271	**National Medical**	**64.8**	36⅞	40	16	3.13	3.60	11.8	0.76	0.80	2.2	15.93	2,909
977	**Natl Semiconductor**	**−69.0**	3⅞	22	3	−1.73	0.57	def	0.23	none	0.0	7.33	400
377	**National Service**	**39.2**	26⅞	30	17	2.02	2.16	13.3	0.81	0.92	3.4	12.44	1,333
1031	**National-Standard**	**−79.8**	2¾	15	3	−3.27	NA	def	0.04	none	0.0	16.14	12
1004	**Navistar Intl**	**−73.5**	2¼	12	2	−0.18	0.20	def	0.14	none	0.0	3.53	563
218	**NBD Bancorp**	**80.7**	32⅛	36	17	3.71	4.05	8.7	0.89	1.40	4.4	23.26	2,365
165	**NCH**	**98.1**	51½	67	25	4.80	5.75	10.7	0.67	1.00	1.9	25.36	434
568	**NCNB**	**7.8**	24⅜	55	16	4.47	4.44	5.5	0.38	1.48	6.1	27.36	2,483
367	**NCR**	**40.7**	56⅝	87	39	5.71	6.19	9.9	0.61	1.40	2.5	28.12	3,797
673	**Neiman Marcus Group**	**−10.9b**	13¼	46	10	0.12	0.42	110.4	0.26	0.20	1.5	7.86	433
604	**New England Electric**	**2.0**	25½	35	20	4.33	2.61	5.9	0.89	2.04	8.0	19.24	1,617
709	**NY State E&G**	**−15.3**	24¼	39	20	2.55	2.69	9.5	1.02	2.08	8.6	21.29	1,509
766	**New York Times**	**−24.5**	18½	50	17	0.45	1.01	41.1	0.79	0.56	3.0	13.63	1,409
16	**Newell Co**	**320.3**	23¼	36	5	1.70	1.74	13.7	1.27	0.50	2.2	7.51	1,373
297	**Newmont Mining**	**57.0c**	37	102	21	6.22	2.05	5.9	3.75	0.60	1.6	−2.96	2,498
832	**Niagara Mohawk Power**	**−36.6**	13	26	11	1.13	1.56	11.5	0.57	none	0.0	14.07	1,769
139	**Nicor**	**113.9**	46¼	47	20	4.09	4.10	11.3	0.84	2.12	4.6	22.16	1,339
12	**NIKE**	**386.8**	34⅜	48	5	3.52	4.45	9.8	1.04	0.40	1.2	10.46	2,574
194	**Nipsco Industries**	**88.7**	18⅝	20	8	1.02	1.91	18.3	0.83	1.04	5.6	13.93	1,292
NR	**NL Industries**	**NA**	11¼	28	9	1.56	3.13	7.2	0.81	0.60	5.3	2.00	744
848	**Noland**	**−39.4**	10	27	9	1.32	NA	7.6	0.08	0.46	4.6	26.30	37
195	**Nordstrom**	**88.5**	22½	42	12	1.24	1.71	18.1	0.64	0.30	1.3	8.99	1,836
340	**Norfolk Southern**	**47.3**	39⅞	47	21	3.55	3.85	11.2	1.40	1.60	4.0	30.44	6,448
1006	**Nortek**	**−74.4**	2⅞	19	2	−1.88	NA	def	0.04	0.10	3.5	15.65	40
1050	**Northeast Federal**	**−88.5**	1⅞	27	2	−19.66	NA	def	0.02	none	0.0	15.17	11
515	**Northeast Utilities**	**14.8**	20¾	28	17	2.01	2.06	10.1	0.97	1.76	8.6	16.13	2,222
477	**No States Power**	**21.7**	32¼	41	25	3.55	3.16	9.1	0.95	2.32	7.2	24.01	2,017
344	**Northern Telecom**	**46.5**	25⅝	30	13	1.72	1.95	14.9	0.93	0.32	1.2	11.14	6,204
171	**Northern Trust**	**94.7**	27½	35	14	3.17	3.39	8.7	0.76	0.84	3.1	17.09	983
962	**Northrop**	**−63.4**	16⅛	53	14	2.86	2.89	5.6	0.14	1.20	7.4	18.65	758
233	**Norwest**	**75.2**	18¼	24	9	2.68	2.95	6.8	0.56	0.92	5.0	14.10	1,885
7	**Novell**	**527.4**	30	30	4	1.12	1.70	26.9	4.51	none	0.0	3.57	2,109
307	**Nucor**	**55.2**	55¾	82	29	3.25	4.61	17.2	0.84	0.48	0.9	27.31	1,196
797	**NWNL**	**−29.5**	17	44	12	4.08	6.12	4.2	0.16	1.32	7.8	38.69	211
345	**Nynex**	**46.0**	71⅜	92	46	4.25	6.58	16.8	1.05	4.56	6.4	47.55	14,155
795	**Occidental Petroleum**	**−29.4**	21⅞	40	18	1.08	1.37	20.3	0.31	2.50	11.4	21.67	6,416
521	**Ogden**	**14.0**	18⅞	45	14	1.66	1.69	11.4	0.52	1.25	6.6	10.87	804
578	**Ohio Casualty**	**6.1**	37	53	27	3.85	4.61	9.6	0.41	2.32	6.3	36.94	662
573	**Ohio Edison**	**6.9**	17½	24	16	1.98	1.80	8.8	1.21	1.50	8.6	16.82	2,670
371	**Oklahoma G&E**	**39.7**	38¼	39	26	3.41	3.31	11.2	1.25	2.48	6.5	21.28	1,542
597	**Old Kent Financial**	**2.7**	23⅝	29	18	3.35	3.38	7.1	0.72	1.16	4.9	21.09	629
729	**Old Republic Intl**	**−19.6**	22½	33	17	4.39	4.79	5.1	0.36	0.76	3.4	29.37	450
734	**Olin**	**−20.5**	29½	68	28	5.16	4.69	5.7	0.22	2.20	7.5	35.00	565

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WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
676	**Olsten**	**–11.6**	9⅝	24	8	1.04	1.20	9.3	0.25	0.24	2.5	5.97	150
617	**Omnicom Group**	**0.6a**	20¼	29	15	2.02	2.30	10.0	0.46	1.10	5.4	9.05	527
670	**Oneida**	**–10.6**	9⅜	19	7	1.01	1.32	9.3	0.23	0.48	5.1	10.82	97
657	**Oneok**	**–7.5**	14¾	22	5	1.21	1.44	12.2	0.59	0.76	5.2	12.11	393
111	**Oracle Systems**	**131.3a**	6	28	2	0.50	0.89	12.0	0.78	none	0.0	2.96	782
577	**Orange & Rockland**	**6.2**	29⅞	40	25	3.21	3.22	9.3	0.69	2.34	7.8	24.16	389
909	**Orion Capital**	**–52.0**	15¼	40	11	3.35	4.17	4.6	0.12	0.92	6.0	22.27	99
523	**Orion Pictures**	**13.5**	11⅝	27	6	0.40	0.67	29.1	0.43	none	0.0	10.28	211
NR	**Oryx Energy**	**NA**	41⅝	55	23	0.92	1.99	45.3	2.18	1.20	2.9	15.22	3,615
956	**Oshkosh Truck**	**–61.5**	7½	33	7	0.19	0.26	39.5	0.15	0.50	6.7	13.90	68
945	**Outboard Marine**	**–57.6**	11⅞	46	9	–3.98	–0.18	def	0.20	0.80	6.7	32.96	231
552	**Owens & Minor**	**10.4**	13¼	16	8	0.73	1.20	18.2	0.09	0.26	2.0	9.28	109
532	**Owens-Corning**	**12.7a**	15½	37	9	3.64	3.56	4.3	0.19	none	0.0	–10.78	626
931	**Oxford Industries**	**–55.6**	7	19	7	0.56	0.98	12.5	0.12	0.50	7.1	11.19	65
457	**Paccar**	**24.7**	29	52	21	4.49	2.93	6.5	0.35	2.50	8.6	28.87	1,012
735	**Pacific Enterprises**	**–20.6**	38½	61	34	–1.07	3.17	def	0.39	3.48	9.0	30.00	2,693
483	**Pacific G&E**	**20.7**	24⅛	28	14	1.82	2.09	13.3	1.11	1.52	6.3	17.38	10,173
130	**Pacific Telesis**	**118.6**	46¼	52	20	2.88	3.11	16.1	1.92	2.02	4.4	20.58	18,686
280	**PacifiCare Health**	**62.3**	14	30	3	1.48	1.65	9.5	0.16	none	0.0	4.08	160
393	**PacifiCorp**	**36.0**	21¼	24	13	1.82	1.98	11.7	1.40	1.44	6.8	12.37	5,277
914	**PaineWebber Group**	**–52.7**	13¼	39	12	0.90	0.98	14.7	0.11	0.52	3.9	27.45	331
379	**Pall**	**38.9**	31¼	37	20	1.72	2.04	18.2	2.14	0.56	1.8	11.42	1,208
1014	**Pan Am**	**–75.7**	1⅞	10	1	–3.02	–1.61	def	0.07	none	0.0	–4.26	282
937	**Panhandle Eastern**	**–57.2a**	11⅞	35	10	0.77	1.22	15.4	0.32	0.80	6.7	16.21	1,051
303	**Paramount Commun**	**55.8**	38¾	66	23	11.51	2.40	3.4	1.26	0.70	1.8	30.98	4,609
675	**Parker Hannifin**	**–11.4**	22¾	49	19	2.37	2.39	9.6	0.45	0.92	4.0	20.49	1,110
1051	**Pathe Communications**	**–88.5**	3⅜	46	2	1.91	NA	1.8	0.70	none	0.0	1.85	202
791	**Penn Central**	**–29.1**	18	34	15	1.60	1.76	11.3	0.45	0.48	2.7	27.84	939
NR	**Penn Traffic**	**NA**	13⅞	27	12	–6.53	NA	def	0.03	none	0.0	1.06	77
295	**JC Penney**	**57.2**	43⅜	76	26	5.86	6.04	7.4	0.31	2.64	6.1	37.65	5,132
334	**Pennsylvania P&L**	**48.7**	42¾	43	28	4.22	4.23	10.1	1.33	2.98	7.0	28.36	3,225
582	**Pennzoil**	**4.9**	67⅛	95	39	–1.32	3.52	def	1.42	3.00	4.5	35.23	2,693
674	**Pentair**	**–11.2**	22¾	36	16	2.40	2.58	9.5	0.21	0.88	3.9	24.04	244
NR	**People's Bank**	**NA**	3½	10	3	–0.99	0.53	def	0.16	0.72	20.6	14.76	114
481	**Peoples Energy**	**20.9**	23⅞	27	14	2.07	2.45	11.5	0.67	1.66	7.0	16.20	781
547	**Pep Boys**	**11.1**	10	19	8	0.71	0.87	14.1	0.64	0.12	1.2	5.63	555
48	**PepsiCo**	**217.1**	25⅝	28	7	1.26	1.61	20.3	1.18	0.40	1.6	4.92	20,271
1016	**Perini**	**–76.4**	7	40	7	1.13	1.78	6.2	0.03	0.80	11.4	33.48	27
806	**Perkin-Elmer**	**–31.2**	21¼	41	19	1.10	1.57	19.3	0.85	0.68	3.2	11.77	712
985	**Perry Drug Stores**	**–70.0**	5⅛	21	5	0.56	0.82	9.2	0.08	none	0.0	4.96	52
828	**Petrie Stores**	**–36.1**	15⅜	40	13	0.51	0.79	30.2	0.56	0.20	1.3	13.78	719
745	**Petroleum Heat & Pwr**	**–21.4a**	11	18	11	–1.09	NA	def	0.30	1.70	15.5	–0.21	173
304	**Pfizer**	**55.6**	78¾	79	41	4.37	5.44	18.0	2.13	2.40	3.0	27.44	12,999
142	**Phelps Dodge**	**112.5c**	48⅞	79	16	6.15	9.73	7.9	0.65	3.00	6.1	39.00	1,688
877	**PHH**	**–44.3**	21⅜	45	18	2.22	3.38	9.6	0.18	1.20	5.6	21.38	364
642	**Philadelphia Elec**	**–5.0**	16½	26	15	0.53	1.87	31.1	0.96	1.20	7.3	17.67	3,504
13	**Philip Morris Cos**	**342.5**	48⅞	52	11	3.81	4.67	12.8	1.07	1.72	3.5	10.31	45,214
138	**Phillips Petroleum**	**114.4**	26	31	8	0.19	2.51	136.8	0.51	1.12	4.3	9.66	6,387
565	**Phillips-Van Heusen**	**8.2**	13⅝	27	8	1.64	2.73	8.3	0.16	0.28	2.1	10.17	124
869	**PHM**	**–42.7**	7⅞	24	6	1.39	1.10	5.7	0.17	0.12	1.5	12.08	185
967	**Pic'N'Save**	**–65.2**	7⅛	30	6	0.44	0.87	16.2	0.47	none	0.0	6.14	242
281	**Piedmont Natural Gas**	**61.6**	29½	30	17	2.47	2.65	11.9	0.77	1.68	5.7	17.46	312
879	**Pilgrim's Pride**	**–44.4a**	5⅝	15	4	0.72	0.92	7.8	0.18	0.06	1.1	3.86	127
NR	**Pinkerton**	**NA**	21¾	23	14	1.41	1.99	15.4	0.23	none	0.0	4.53	133
950	**Pinnacle West**	**–59.6**	11	33	5	–5.70	1.50	def	0.61	none	0.0	16.31	954
653	**Pioneer Hi-Bred Intl**	**–6.6**	35½	48	24	2.33	3.17	15.2	1.15	1.16	3.3	19.86	1,106
324	**Pitney Bowes**	**51.1**	36⅝	55	23	1.78	3.61	20.6	0.93	1.20	3.3	18.02	2,919
304	**Pittston**	**55.6**	19¼	22	9	0.35	2.01	55.0	0.41	0.20	1.0	11.33	718
NR	**Pittway**	**NA**	28	43	16	1.98	NA	14.1	0.42	0.60	2.1	26.54	387
927	**Ply Gem Industries**	**–54.5**	5⅞	18	4	0.59	0.81	10.0	0.11	0.12	2.0	10.26	61
818	**PNC Financial**	**–34.3**	23	51	16	2.52	3.88	9.1	0.45	2.12	9.2	29.52	2,177
594	**Polaroid**	**3.5**	22⅜	50	17	2.00	2.19	11.2	0.61	0.60	2.7	12.65	1,164
443	**Pope & Talbot**	**26.8**	12⅛	30	9	2.81	1.88	4.3	0.25	0.72	5.9	16.91	143
747	**Portland General**	**–21.6**	17¼	37	15	0.04	1.92	431.3	0.95	1.20	7.0	16.52	796

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Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
346	**Potlatch**	**45.7**	27½	45	18	4.63	3.69	5.9	0.62	1.32	4.8	28.74	795
503	**Potomac Electric**	**17.7**	20⅜	30	17	1.80	2.14	11.3	1.43	1.52	7.5	14.23	2,005
294	**PPG Industries**	**57.8**	40¼	55	23	4.40	4.64	9.1	0.73	1.68	4.2	23.25	4,344
64	**Precision Castparts**	**182.3**	32¾	40	10	1.71	2.67	19.2	1.15	0.12	0.4	13.22	568
777	**Premark Intl**	**–26.7a**	14⅜	42	13	1.29	2.40	11.1	0.17	0.84	5.8	23.53	442
1033	**Premier Bancorp**	**–81.3**	2⅞	16	3	0.26	0.38	11.1	0.18	none	0.0	5.94	71
213	**Premier Industrial**	**82.3**	23½	28	11	1.31	1.55	17.9	2.15	0.40	1.7	4.35	1,359
926	**Preston**	**–54.4**	7¾	24	5	–3.93	0.95	def	0.07	0.50	6.5	19.12	45
607	**Price Co**	**1.4**	35½	55	24	2.47	2.79	14.4	0.33	none	0.0	10.75	1,732
580	**Primerica**	**5.5a**	21⅝	38	17	3.27	3.67	6.6	0.39	0.40	1.8	23.52	2,401
105	**Procter & Gamble**	**136.9**	82⅝	91	30	4.47	5.13	18.5	1.14	2.00	2.4	23.27	28,614
119	**Progressive**	**122.6**	45¾	56	20	3.36	5.13	13.6	0.85	0.48	1.0	17.13	1,162
NR	**Promus Cos**	**NA**	13¾	32	9	NA	1.89	NA	0.37	none	0.0	NA	367
764	**Provident Life & Acc**	**–24.2**	16	30	12	3.88	4.01	4.1	0.28	0.92	5.8	25.88	747
516	**PS Group**	**14.7**	29⅜	39	21	–0.38	NA	def	0.58	0.60	2.0	41.47	161
133	**PSI Resources**	**117.2**	15¾	19	7	2.11	1.97	7.5	0.84	0.88	5.6	10.35	856
593	**Public Service Colo**	**3.6**	21⅞	27	16	2.56	2.34	8.5	0.72	2.00	9.1	17.13	1,172
1007	**Public Service NH**	**–74.6**	2⅛	11	2	–8.29	1.10	def	0.14	none	0.0	2.39	90
995	**Public Service NM**	**–72.0**	8¼	39	8	0.12	0.72	68.8	0.40	none	0.0	18.02	345
466	**Pub Svc Enterprise**	**23.9**	26⅛	32	20	2.48	2.72	10.5	1.13	2.12	8.1	19.85	5,536
530	**Puget Sound P&L**	**12.9**	20¾	25	18	1.87	2.10	11.1	1.27	1.76	8.5	16.11	1,153
876	**Pulitzer Publishing**	**–44.3a**	17	45	17	2.40	1.43	7.1	0.44	0.50	2.9	5.76	178
240	**Quaker Oats**	**72.9**	49½	69	27	1.87	3.14	26.5	0.73	1.56	3.2	16.67	3,737
958	**Quaker State**	**–62.4**	9⅛	32	8	0.64	0.83	14.3	0.29	0.80	8.8	11.32	248
159	**Quanex**	**102.1**	12⅜	19	3	1.80	2.27	6.9	0.25	0.40	3.2	11.69	152
117	**Quantum**	**124.3**	20	26	3	2.07	3.05	9.7	0.85	none	0.0	6.21	509
952	**Quantum Chemical**	**–60.2**	13⅝	105	8	1.13	0.83	12.1	0.15	none	0.0	–3.35	370
495	**Questar**	**18.5**	37⅝	46	25	2.61	3.07	14.4	1.42	1.96	5.2	24.84	737
1009	**QVC Network**	**–74.6a**	4¼	25	4	–0.38	0.56	def	0.11	none	0.0	7.50	74
143	**Ralston Purina**	**112.5**	99⅞	108	46	6.46	7.29	15.5	0.79	1.85	1.9	20.14	5,612
839	**Raychem**	**–37.6**	20⅜	55	16	–3.17	0.53	def	0.64	0.32	1.6	18.96	744
422	**Raytheon**	**30.1**	69¾	85	52	8.40	9.27	8.3	0.50	2.40	3.4	36.97	4,555
NR	**Reader's Digest Assn**	**NA**	25¾	28	21	1.55	1.69	16.6	1.47	0.60	2.3	5.07	3,072
113	**Reebok International**	**130.3**	10¾	25	4	1.50	1.74	7.2	0.60	0.30	2.8	7.42	1,232
859	**Reliance Group**	**–41.2a**	4⅝	12	4	3.14	0.32	1.5	0.08	0.32	6.9	4.66	345
397	**Republic New York**	**35.3**	45⅞	58	34	7.10	6.29	6.5	0.59	1.32	2.9	35.16	1,589
NR	**Rexene**	**NA**	1½	25	1	–0.41	–0.19	def	0.09	none	0.0	–2.63	47
895	**Reynolds & Reynolds**	**–49.3**	14½	41	12	2.30	2.39	6.3	0.46	0.84	5.8	11.63	275
77	**Reynolds Metals**	**164.3**	49⅞	70	18	7.03	7.45	7.1	0.49	1.80	3.6	45.24	2,948
76	**Rhône-Poulenc Rorer**	**164.3**	63	78	20	–1.64	4.28	def	1.90	0.84	1.3	16.57	4,204
NR	**Richfood Holding**	**NA**	8⅝	12	4	0.57	1.25	15.1	0.09	none	0.0	4.16	90
982	**Riggs National**	**–69.7**	9⅜	42	9	0.69	0.77	13.6	0.18	1.25	13.3	24.85	129
NR	**Riser Foods**	**NA**	7⅞	14	6	0.68	1.10	11.6	0.06	none	0.0	3.91	63
407	**Rite Aid**	**33.3**	34½	46	24	2.51	3.02	13.7	0.43	0.90	2.6	16.98	1,432
602	**Roadway Services**	**2.2**	35½	45	23	2.65	3.00	13.4	0.48	1.10	3.1	18.35	1,386
1029	**HH Robertson**	**–79.3**	4⅞	24	3	–0.30	NA	def	0.06	none	0.0	12.74	31
731	**Rochester G&E**	**–19.7**	18⅞	30	14	1.83	2.21	10.3	0.70	1.56	8.3	18.28	590
359	**Rochester Telephone**	**43.2**	27¾	46	18	1.73	2.13	16.0	1.32	1.46	5.3	15.70	775
376	**Rockwell Intl**	**39.2**	24⅞	31	14	2.56	2.75	9.7	0.48	0.86	3.5	15.86	5,992
496	**Rohm & Haas**	**18.4**	30¼	53	24	2.87	2.88	10.5	0.73	1.24	4.1	19.68	2,018
897	**Rohr Industries**	**–49.6**	14⅜	39	12	0.90	1.78	16.3	0.22	none	0.0	23.42	260
428	**Rollins**	**29.4**	17⅝	23	12	1.14	1.35	15.5	0.98	0.56	3.2	3.06	417
968	**Rose's Stores**	**–65.4**	3⅝	23	4	0.35	0.47	10.4	0.05	0.21	5.8	10.40	71
998	**Ross Stores**	**–72.2**	5	25	4	0.93	1.19	5.4	0.15	none	0.0	4.53	115
707	**Rouse**	**–14.3**	15	29	11	–0.05	1.37	def	1.41	0.60	4.0	1.10	720
269	**RPM**	**65.0**	15⅜	18	9	1.00	1.90	15.4	0.98	0.62	4.0	5.70	460
116	**Rubbermaid**	**126.1**	39	45	17	1.77	2.09	22.0	2.25	0.60	1.5	8.12	3,106
270	**Ruddick**	**64.9**	21⅛	30	12	2.38	2.31	8.9	0.15	0.70	3.3	16.29	208
176	**Russell**	**93.4**	18¼	31	9	1.69	2.00	10.8	1.02	0.32	1.8	9.95	738
851	**Ryder System**	**–39.9**	13⅜	43	12	1.05	1.49	12.7	0.19	0.60	4.5	18.22	1,006
749	**Rykoff-Sexton**	**–21.7**	14⅞	30	14	0.93	1.65	16.0	0.12	0.60	4.0	15.49	173
751	**Ryland Group**	**–22.0**	11½	33	10	2.59	1.63	4.4	0.10	0.60	5.2	17.25	137
410	**Safeco**	**33.2**	30⅞	42	23	4.19	4.17	7.4	0.65	1.36	4.4	29.27	1,954
118	**Safety-Kleen**	**122.8**	38¼	45	17	1.48	1.90	25.8	2.59	0.40	1.0	7.70	1,429

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				high	low	latest 12 mos $	1991 estimate $						
NR	**St Joe Paper**	**NA**	31¼	46	26	1.84	1.60	17.0	1.53	0.20	0.6	25.16	953
321	**St Paul Cos**	**51.8**	60⅝	64	36	8.98	7.84	6.8	0.66	2.40	4.0	49.51	2,571
1028	**Salant**	**–79.2**	2	29	2	–10.29	NA	def	0.02	none	0.0	4.78	7
850	**Salem Carpet Mills**	**–39.5**	3¼	14	3	0.45	0.90	7.2	0.06	0.08	2.5	8.16	26
864	**Salomon**	**–42.0**	25¼	59	17	2.76	3.70	9.1	0.31	0.64	2.5	25.95	2,953
256	**San Diego G&E**	**68.5**	45½	46	27	3.64	3.37	12.5	1.47	2.70	5.9	22.46	2,544
NR	**Santa Fe Pacific**	**NA**	14½	26	12	–1.59	0.84	def	0.85	0.10	0.7	5.39	2,499
106	**Sara Lee**	**135.9**	30	34	12	1.96	2.14	15.3	0.58	0.94	3.1	11.11	6,924
57	**Savannah Foods**	**195.2**	23¼	33	6	1.80	1.92	13.0	0.53	0.48	2.1	6.25	631
1069	**Savin**	**–96.8**	⅛	5	†	–0.11	NA	def	0.05	none	0.0	0.03	19
468	**Scana**	**23.3**	34⅛	43	27	4.56	3.27	7.5	1.21	2.52	7.3	22.79	1,385
360	**SCEcorp**	**43.2**	38⅛	41	25	3.31	3.63	11.5	1.18	2.64	6.9	24.21	8,330
54	**Schering-Plough**	**201.1**	43¾	51	14	2.41	2.96	18.2	3.01	1.12	2.6	8.64	9,929
316	**Schlumberger**	**52.7**	55¾	70	26	2.18	3.14	25.6	2.63	1.20	2.2	12.19	13,249
44	**A Schulman**	**225.6**	27¼	32	8	1.79	1.95	15.2	0.81	0.32	1.2	8.19	548
14	**Schultz Sav-O Stores**	**330.4**	13⅝	19	3	1.26	1.55	10.8	0.08	0.12	0.9	10.80	40
128	**Charles Schwab**	**118.8b**	13⅛	18	6	0.80	0.81	16.4	0.53	0.16	1.2	6.78	330
793	**SCI Systems**	**–29.3**	7⅛	23	5	0.72	0.97	9.9	0.13	none	0.0	8.42	149
638	**Scientific-Atlanta**	**–4.3**	11⅛	29	8	1.77	1.44	6.3	0.42	0.16	1.4	12.45	248
341	**Scott Paper**	**47.2**	37¼	53	24	3.82	4.21	9.8	0.53	0.80	2.1	28.02	2,742
NR	**EW Scripps**	**NA**	15	27	13	0.75	1.06	20.0	0.88	0.40	2.7	8.43	1,148
471	**Seaboard**	**22.5**	106	198	58	17.20	NA	6.2	0.30	0.50	0.5	127.32	158
449	**Seagate Technology**	**25.9**	9⅛	45	6	1.69	1.51	5.4	0.22	none	0.0	10.64	589
259	**Seagram**	**68.2**	80¾	94	43	7.45	8.65	10.8	1.63	2.00	2.5	56.12	7,593
808	**Sears, Roebuck**	**–32.1**	26½	60	22	3.27	3.90	8.1	0.16	2.00	7.5	39.80	9,089
310	**Seaway Food Town**	**54.1**	14¼	25	8	1.28	1.65	11.1	0.06	0.36	2.5	14.06	34
775	**Security Pacific**	**–26.7**	23⅜	55	17	5.77	5.61	4.1	0.27	2.52	10.8	35.50	2,825
453	**Selective Insurance**	**25.6**	14⅛	20	11	2.58	2.21	5.5	0.35	1.04	7.4	18.36	183
362	**Sequa**	**42.8**	53	88	35	5.53	8.50	9.6	0.24	0.60	1.1	65.01	522
586	**Service Corp Intl**	**4.4**	21¾	32	13	–0.88	1.52	def	1.87	0.56	2.6	9.46	1,037
889	**Service Merchandise**	**–46.9c**	4⅜	22	2	1.02	1.40	4.3	0.07	none	0.0	–0.80	229
81	**Shaw Industries**	**161.6**	17¼	34	6	2.08	2.34	8.3	0.33	0.50	2.9	7.89	518
991	**Shawmut National**	**–70.9**	6¾	32	4	–3.48	1.24	def	0.17	1.00	14.8	18.63	495
288	**Sherwin-Williams**	**59.9**	35⅜	42	20	2.79	3.14	12.7	0.69	0.76	2.1	15.48	1,539
NR	**Shoney's**	**NA**	10⅞	17	7	0.72	0.94	15.1	0.46	none	0.0	–9.60	416
169	**Sigma-Aldrich**	**95.7**	55⅛	72	27	2.75	3.38	20.0	2.79	0.44	0.8	12.07	1,367
973	**Signet Banking**	**–67.2**	9⅞	43	8	2.52	2.14	3.9	0.18	1.56	15.8	28.15	260
212	**Silicon Graphics**	**82.7a**	23¾	41	11	1.84	2.12	12.9	0.92	none	0.0	11.99	415
738	**Skyline**	**–20.9**	13¾	21	11	0.84	0.92	16.4	0.41	0.48	3.5	14.00	154
825	**AO Smith**	**–35.4**	15¼	32	11	0.81	0.85	18.8	0.13	0.80	5.2	27.27	121
NR	**Smith Corona**	**NA**	6	23	3	0.77	2.92	7.8	0.41	0.20	3.3	2.22	182
108	**Smith International**	**133.3**	15¾	19	2	0.08	0.75	196.9	1.29	none	0.0	3.24	454
31	**Smithfield Foods**	**257.9**	17	20	4	2.02	NA	8.4	0.11	none	0.0	7.08	110
NR	**Smith's Food & Drug**	**NA**	27⅜	35	21	1.29	1.69	21.2	0.35	0.28	1.0	9.53	692
252	**JM Smucker**	**69.5**	40¼	46	19	2.10	2.50	19.2	1.35	0.68	1.7	11.91	594
364	**Snap-on Tools**	**41.5**	29⅝	47	20	2.58	2.78	11.5	1.32	1.08	3.6	13.93	1,220
585	**Society**	**4.6**	28¼	41	24	4.60	5.16	6.1	0.59	1.76	6.2	28.46	933
322	**Sonat**	**51.5**	51½	56	21	2.03	2.72	25.4	1.47	2.00	3.9	27.32	2,203
187	**Sonoco Products**	**90.2**	29¼	39	15	1.10	2.70	26.6	0.78	0.92	3.1	11.70	1,279
NR	**Sotheby's Holdings**	**NA**	10⅛	37	8	2.24	1.70	4.5	1.09	1.45	14.3	4.87	507
770	**South Carolina Natl**	**–24.8**	15½	27	13	2.56	2.98	6.1	0.49	0.80	5.2	20.19	332
833	**Southdown**	**–36.7**	12⅞	32	11	2.74	1.52	4.7	0.39	0.50	3.9	20.26	220
1030	**Southeast Banking**	**–79.8**	4⅞	31	3	–5.58	–0.75	def	0.10	none	0.0	24.00	163
505	**Southern Company**	**16.9**	26	30	18	1.97	2.71	13.2	1.04	2.14	8.2	21.74	8,207
357	**So N England Telecom**	**43.9**	32⅜	47	22	2.25	2.76	14.4	1.22	1.76	5.4	19.56	1,999
689	**SouthTrust**	**–13.0**	16	25	13	2.57	2.83	6.2	0.52	1.04	6.5	18.70	435
632	**Southwest Airlines**	**–3.7**	17¼	21	8	1.39	1.45	12.4	0.65	0.10	0.6	13.40	743
783	**Southwest Gas**	**–27.8**	13	27	12	1.51	1.84	8.6	0.30	1.40	10.8	17.30	253
199	**Southwestern Bell**	**86.0**	53	65	26	3.76	3.97	14.1	1.77	2.76	5.2	29.35	15,931
541	**Southwestern Pub Svc**	**11.5**	29⅛	38	22	2.73	2.51	10.7	1.55	2.20	7.6	15.51	1,192
290	**Spiegel**	**59.8b**	13⅜	27	7	1.44	1.69	9.3	0.37	0.38	2.8	7.94	695
961	**Sprague Technologies**	**–63.0b**	3⅜	20	3	–2.59	0.57	def	0.19	0.05	1.5	11.88	62
682	**Springs Industries**	**–12.5**	19¼	45	17	0.10	2.84	192.5	0.18	1.20	6.2	33.08	341
849	**SPS Technologies**	**–39.4**	21⅛	60	21	0.22	2.92	96.0	0.25	1.28	6.1	34.71	106

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Sources: Forbes, Media General, Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

Rank	Company	5-year price change %	Recent price	1986-90 price range high	low	Earnings per share latest 12 mos $	1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
846	**SPX**	–39.2c	16⅞	45	13	1.45	1.77	11.6	0.33	1.00	5.9	18.48	233
524	**Square D**	13.5	48½	66	34	4.17	4.64	11.6	0.70	2.20	4.5	23.68	1,129
723	**Std Commercial**	–18.2	9½	22	7	0.62	1.15	15.3	0.08	0.52	5.5	16.14	78
561	**Standard Fedl Bank**	8.6b	6⅜	13	5	1.29	1.49	4.9	0.21	0.40	6.3	14.40	195
883	**Standard Motor Prods**	–44.9	6¾	25	6	0.57	1.07	11.8	0.18	0.32	4.7	12.26	89
705	**Standard Products**	–14.2	13½	45	13	0.86	1.33	15.7	0.21	0.92	6.8	15.06	137
878	**Standard Register**	–44.3	9⅞	28	10	1.30	1.26	7.6	0.41	0.56	5.7	10.71	295
325	**Standex International**	50.8	22¼	28	13	2.30	2.60	9.7	0.46	0.72	3.2	14.90	216
15	**Stanhome**	321.8	29	36	7	2.47	2.92	11.7	0.89	0.80	2.8	8.80	582
412	**Stanley Works**	32.4	28¼	40	21	2.67	2.78	10.6	0.60	1.20	4.2	18.19	1,192
285	**State Street Boston**	60.6	33⅛	43	17	3.09	3.45	10.7	0.95	0.68	2.1	16.58	1,194
NR	**Sterling Chemicals**	NA	5⅞	19	5	1.07	0.94	5.5	0.64	1.00	17.0	1.97	325
6	**Stewart & Stevenson**	529.0	32½	41	3	1.97	2.65	16.5	0.76	0.24	0.7	10.43	484
700	**Stone Container**	–13.8	10⅞	40	8	2.51	1.14	4.3	0.11	0.72	6.6	22.50	653
544	**Storage Technology**	11.4	19½	74	9	2.04	2.50	9.6	0.65	none	0.0	13.12	715
816	**Strawbridge**	–33.9	19½	45	17	3.23	3.80	6.0	0.18	1.10	5.6	25.88	177
11	**Stride Rite**	397.0	25⅝	30	5	2.02	2.38	12.7	1.33	0.40	1.6	6.24	670
62	**Student Loan**	183.8	42	57	14	2.83	3.48	14.8	1.15	0.52	1.2	8.35	4,076
1042	**Sudbury**	–84.7	1⅜	14	†	0.00	NA	NA	0.04	none	0.0	4.53	18
NR	**Sun Company**	NA	31¾	43	26	0.35	3.11	90.7	0.31	1.80	5.7	30.50	3,394
306	**Sun Microsystems**	55.3a	18⅝	37	6	1.40	1.67	13.3	0.70	none	0.0	10.01	1,811
620	**Sundstrand**	0.0	27¼	42	18	3.00	3.21	9.1	0.63	1.10	4.0	15.44	1,012
558	**SunTrust Banks**	9.8	21	28	17	2.73	2.91	7.7	0.77	0.92	4.4	16.32	2,613
425	**Super Food Services**	29.7	16	22	10	1.60	1.79	10.0	0.10	0.34	2.1	9.99	172
522	**Super Valu Stores**	14.0	25½	30	16	2.01	2.45	12.7	0.17	0.66	2.6	11.59	1,917
96	**Syntex**	147.1	57¾	64	21	3.24	3.55	17.8	4.08	1.60	2.8	6.88	6,463
67	**Sysco**	176.0	30⅞	38	11	1.51	1.74	20.5	0.37	0.28	0.9	8.40	2,837
953	**Talley Industries**	–60.5	6	24	5	0.69	NA	8.7	0.13	0.50	8.3	12.79	53
905	**Talman Home Federal**	–51.4a	4¼	13	3	1.63	1.70	2.6	0.08	none	0.0	34.54	41
177	**Tambrands**	93.4	87⅛	91	44	1.08	5.66	80.7	3.04	2.40	2.8	12.90	1,866
534	**Tandem Computers**	12.4	12½	37	9	1.13	1.26	11.1	0.71	none	0.0	10.31	1,317
792	**Tandy**	–29.1	28⅞	57	24	3.48	3.81	8.3	0.50	0.60	2.1	21.78	2,290
56	**TBC**	196.4	9⅞	14	3	1.17	1.29	8.4	0.27	none	0.0	4.89	138
841	**TCF Financial**	–38.1a	7½	18	6	–3.23	2.53	def	0.11	0.40	5.3	24.52	54
211	**TECO Energy**	82.7	31⅝	32	17	2.40	2.57	13.2	1.66	1.62	5.1	15.45	1,797
772	**Tecumseh Products**	–25.1	85	158	78	5.66	NA	15.0	0.33	3.20	3.8	124.73	465
845	**Tektronix**	–39.1	17⅛	43	12	–2.81	1.86	def	0.35	0.60	3.5	13.24	499
172	**Tele-Communications**	94.6	11⅞	21	6	–0.60	–0.38	def	1.19	none	0.0	2.57	4,195
NR	**Teledyne**	NA	15½	36	12	1.94	2.07	8.0	0.25	0.80	5.2	8.05	859
289	**Temple-Inland**	59.8	27⅞	39	17	4.13	3.68	6.8	0.67	0.80	2.9	22.95	1,547
504	**Tenneco**	17.3	46⅝	71	35	4.92	5.19	9.5	0.40	3.20	6.9	25.81	5,843
1017	**Teradyne**	–76.7	5⅜	37	4	–0.72	0.31	def	0.35	none	0.0	10.01	160
61	**Terex**	186.8	9¾	27	3	1.96	1.58	5.0	0.09	0.05	0.5	8.50	96
715	**Tesoro Petroleum**	–17.1	7⅞	17	8	0.96	NA	8.2	0.11	none	0.0	9.46	111
182	**Texaco**	91.3c	57⅝	69	24	4.71	5.89	12.2	0.43	3.20	5.6	32.67	14,811
915	**Texas Industries**	–52.9	11¾	41	11	1.56	NA	7.5	0.19	0.20	1.7	24.65	128
742	**Texas Instruments**	–21.1	27¾	80	23	0.22	2.55	126.1	0.35	0.72	2.6	25.83	2,263
467	**Texas Utilities**	23.8	37	39	25	4.94	4.17	7.5	1.63	2.96	8.0	34.56	7,222
631	**Textron**	–3.6	23⅝	40	17	3.13	3.26	7.5	0.27	1.00	4.2	29.20	2,121
163	**Thermo Electron**	99.4	26¾	38	10	1.58	1.95	16.9	0.84	none	0.0	12.03	547
NR	**Thiokol**	NA	12½	16	9	2.29	2.38	5.5	0.20	0.30	2.4	14.26	240
564	**Thomas & Betts**	8.3	44⅛	68	37	2.80	3.34	15.8	1.27	2.12	4.8	19.72	753
872	**Thomas Industries**	–43.0	9¾	23	9	1.62	1.30	6.0	0.21	0.76	7.8	13.59	100
263	**Thorn Apple Valley**	67.6	7¾	8	4	–1.53	NA	def	0.03	none	0.0	9.28	23
802	**3Com**	–30.4	8	29	5	0.84	1.13	9.5	0.54	none	0.0	7.98	234
1066	**TIE/communications**	–96.4	¼	7	†	–1.72	NA	def	0.05	none	0.0	2.02	9
438	**Time Warner**	27.6	79¼	183	58	–14.35	–8.46	def	0.40	1.00	1.3	80.44	4,557
697	**Times Mirror**	–13.7	24⅞	53	21	1.62	1.63	15.4	0.90	1.08	4.3	15.28	3,198
563	**Timken**	8.4	24⅜	41	20	1.40	2.31	17.4	0.46	1.00	4.1	34.87	733
NR	**TJX Cos**	NA	10⅞	21	9	1.04	1.41	10.5	0.33	0.46	4.2	3.27	759
1025	**Tonka**	–78.2	4	32	4	–1.40	–0.08	def	0.07	none	0.0	13.35	58
127	**Torchmark**	119.3	48¼	59	21	4.33	4.92	11.1	1.47	1.40	2.9	15.03	2,550
651	**Toro**	–6.4	12¼	30	11	1.55	1.93	7.9	0.19	0.48	3.9	13.80	141
680	**Tosco**	–12.3	17	25	6	5.16	2.82	3.3	0.27	0.60	3.5	8.24	529

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Sources: Forbes; Media General; Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	1986-90 price range high	low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
963	**Town & Country**	**–63.6**	2¼	12	1	0.54	0.85	4.2	0.06	none	0.0	7.40	27
115	**Toys 'R' Us**	**128.2**	23¾	35	10	1.12	1.54	21.2	1.29	none	0.0	5.95	6,844
660	**Transamerica**	**–7.8**	31⅛	52	23	3.92	4.26	7.9	0.36	1.96	6.3	35.63	2,370
788	**Transco Energy**	**–28.8**	38⅞	64	18	1.55	3.13	25.1	0.37	1.36	3.5	23.98	1,187
988	**Travelers**	**–70.6**	14⅛	60	12	–1.96	3.37	def	0.12	1.60	11.3	47.24	1,444
NR	**Tredegar Industries**	**NA**	8⅝	18	8	0.00	0.96	NA	0.17	0.24	2.8	15.69	98
378	**Tribune**	**39.0**	38¾	63	25	2.63	2.87	14.7	1.02	0.96	2.5	19.30	2,552
528	**Trinity Industries**	**13.1**	17¼	46	13	1.42	2.43	12.1	0.28	0.80	4.6	14.69	365
640	**Trinova**	**–4.8**	15⅝	44	15	1.93	2.01	8.1	0.22	0.68	4.4	19.75	441
737	**TRW**	**–20.7**	34⅞	70	31	3.75	4.26	9.3	0.26	1.80	5.2	28.77	2,121
1044	**Tucson Electric**	**–85.1**	6⅜	65	6	–5.01	–0.58	def	0.32	none	0.0	24.86	163
10	**Turner Broadcasting**	**404.7**	11⅞	21	2	–0.40	0.24	def	1.33	none	0.0	–2.19	1,769
938	**Turner Corp**	**–57.3**	11	31	11	1.62	1.55	6.8	0.02	1.00	9.1	12.32	52
NR	**TW Holdings**	**NA**	3⅛	6	2	NA	–0.18	NA	0.09	none	0.0	1.88	344
417	**20th Century Inds**	**31.3**	21½	29	15	3.17	3.26	6.8	0.72	0.64	3.0	12.44	552
42	**Tyco Laboratories**	**230.0**	38⅞	66	12	3.01	3.89	12.9	0.70	0.36	0.9	14.45	1,632
49	**Tyson Foods**	**210.9**	28½	35	8	1.81	2.34	15.7	0.49	0.04	0.1	6.92	1,872
157	**UAL**	**104.3**	101⅝	294	46	10.31	7.36	9.9	0.21	none	0.0	71.64	2,222
253	**UGI**	**69.3**	17⅞	20	11	1.09	2.00	16.4	1.06	1.18	6.6	11.66	362
954	**UJB Financial**	**–61.1**	9¼	33	7	0.76	1.24	12.2	0.31	1.16	12.5	18.67	413
975	**UNC**	**–68.4**	3	14	3	–0.14	0.40	def	0.13	none	0.0	7.69	51
862	**Union Bank**	**–41.6**	17¼	37	14	4.18	4.51	4.1	0.33	1.40	8.1	24.65	555
432	**Union Camp**	**28.8**	34⅛	48	26	3.48	3.13	9.8	0.84	1.56	4.6	25.49	2,353
810	**Union Carbide**	**–32.8c**	15⅞	33	14	2.43	1.99	6.5	0.27	1.00	6.3	16.83	2,285
398	**Union Electric**	**35.1**	28⅞	32	20	3.03	2.80	9.5	1.44	2.16	7.5	19.14	2,949
435	**Union Pacific**	**27.9**	68⅞	87	45	6.05	6.49	11.4	0.97	2.32	3.4	38.99	6,909
129	**Union Texas Petrol**	**118.8b**	17½	25	6	0.29	1.13	60.3	1.29	0.20	1.1	3.27	1,479
1045	**Unisys**	**–85.8**	3	48	2	–2.68	0.18	def	0.05	none	0.0	18.84	480
239	**UA Entertainment**	**73.0**	11⅝	24	6	–0.79	–0.56	def	0.90	none	0.0	5.90	1,284
812	**United Banks of Colo**	**–33.2**	19⅝	35	12	–4.51	0.87	def	0.46	none	0.0	26.25	302
197	**United HealthCare**	**86.6**	19⅛	20	3	1.12	1.45	17.1	0.97	0.03	0.2	2.80	516
550	**United Illuminating**	**10.7**	29⅞	36	19	3.17	3.55	9.4	0.72	2.32	7.8	26.11	415
1077	**United Merchants**	**–98.7**	¼	22	†	–15.06	NA	def	0.01	none	0.0	–10.86	2
351	**US Bancorp**	**44.9**	20⅜	27	13	2.96	3.32	6.9	0.65	1.00	4.9	17.70	1,217
508	**US Healthcare**	**16.6**	23¾	24	4	1.13	1.53	21.0	0.92	0.36	1.5	3.55	1,127
1060	**US Home**	**–92.9**	⅜	9	†	–0.52	0.02	def	0.03	none	0.0	4.19	19
929	**US Shoe**	**–54.9**	9⅝	35	7	1.36	1.62	7.1	0.16	0.52	5.4	12.22	433
964	**United Stationers**	**–64.0**	9	26	8	0.83	1.04	10.8	0.14	0.40	4.4	11.03	140
598	**United Technologies**	**2.6**	44⅞	63	30	6.02	6.09	7.5	0.26	1.80	4.0	41.14	5,439
135	**United Telecom**	**115.8**	25⅝	46	12	1.58	2.38	16.3	0.67	1.00	3.9	9.99	5,503
NR	**Unitrin**	**NA**	29¾	35	25	2.01	2.65	14.8	1.37	0.80	2.7	33.04	1,649
124	**Univar**	**121.2a**	11¾	18	5	1.28	1.40	9.2	0.15	0.30	2.6	7.53	207
618	**Universal**	**0.5**	24⅜	39	22	2.25	2.80	10.8	0.14	1.48	6.1	24.15	400
33	**Universal Foods**	**250.3**	30⅞	34	8	1.95	2.39	15.8	0.93	0.76	2.5	8.31	779
893	**Universal Health**	**–49.1**	7⅜	17	3	0.83	0.93	8.9	0.18	none	0.0	11.18	110
137	**Unocal**	**114.9**	28⅞	35	8	1.44	2.09	20.1	0.68	0.70	2.4	9.83	6,762
299	**UNUM**	**56.8a**	42⅛	57	15	5.09	5.29	8.3	0.71	0.80	1.9	34.18	1,462
266	**Upjohn**	**65.8**	36⅞	54	21	1.17	2.65	31.5	2.21	1.00	2.7	10.64	6,529
266	**US West**	**65.8**	36⅞	41	21	3.15	3.30	11.7	1.47	2.00	5.4	22.72	14,452
923	**USAir Group**	**–53.5**	16	55	13	–8.28	–1.60	def	0.11	none	0.0	45.58	713
996	**USF&G**	**–72.1**	10⅞	49	11	1.53	0.95	7.1	0.19	1.00	9.2	22.80	910
NR	**USG**	**NA**	1⅛	8	1	0.09	–0.06	12.6	0.03	1.00	88.5	–26.55	62
860	**Uslico**	**–41.4**	15⅜	31	15	2.66	2.69	5.8	0.36	1.00	6.5	28.27	166
750	**USLife**	**–21.9**	29½	50	23	4.19	4.51	7.0	0.39	1.48	5.0	55.65	477
23	**UST Inc**	**281.4**	33¼	34	8	1.86	2.26	17.9	4.91	1.10	3.3	4.42	3,576
482	**USX**	**20.7**	32⅛	40	15	3.01	3.32	10.7	0.45	1.40	4.4	20.95	8,200
343	**UtiliCorp United**	**46.5**	19⅛	22	13	1.93	2.22	9.9	0.55	1.52	7.9	16.72	450
347	**Valero Energy**	**45.5**	20	20	5	1.63	1.96	12.3	0.74	0.28	1.4	13.56	814
69	**Valhi**	**172.4**	6⅛	18	2	0.63	NA	9.7	0.38	0.20	3.3	2.53	695
1001	**Valley National**	**–72.9**	11¼	50	9	–0.37	0.80	def	0.19	none	0.0	22.60	223
90	**Valmont Industries**	**152.3**	10¼	25	4	1.59	1.77	6.5	0.14	0.26	2.5	8.83	117
136	**Valspar**	**115.6**	32⅞	41	15	2.33	2.79	14.1	0.63	0.52	1.6	10.22	359
559	**Varian Associates**	**9.2**	31¼	40	18	–0.21	2.81	def	0.48	0.26	0.8	21.48	598

Note: Except as indicated, price changes are from Dec. 31, 1985 to Nov. 14, 1990. †: Less than $1. NR: Not ranked because of merger, spinoff, reorganization, new issue or conversion to stock company. Range is for period since such change. a: Four-year price change. b: Three-year price change. c: Does not reflect special cash dividend paid. NA: Not available. NM: Not meaningful. def: Deficit.

Sources: Forbes; Media General; Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
620	**Varity**	**0.0**	2⅛	4	1	0.40	0.37	5.3	0.17	none	0.0	1.85	525
865	**VF**	**–42.2**	15	48	12	2.23	2.40	6.7	0.33	1.00	6.7	14.14	855
132	**Viacom**	**117.9b**	19¾	33	5	–0.29	0.05	def	1.36	none	0.0	4.27	2,108
395	**Village Super Market**	**35.7**	9½	25	5	1.40	1.22	6.8	0.04	0.15	1.6	16.78	29
626	**Vishay Intertech**	**–1.4**	12¼	23	8	1.70	2.10	7.2	0.41	none	0.0	9.54	180
407	**Vista Chemical**	**33.3a**	25	64	17	5.53	4.09	4.5	0.37	1.80	7.2	–12.02	265
960	**Volt Info Sciences**	**–62.5**	7½	34	8	0.26	NA	28.8	0.08	none	0.0	15.22	43
79	**Vons Cos**	**162.8b**	19⅜	24	6	0.90	1.30	21.5	0.14	none	0.0	4.91	751
372	**Vulcan Materials**	**39.6**	31¾	49	22	3.07	3.19	10.3	1.12	1.20	3.8	16.80	1,226
NR	**Waban**	**NA**	9¼	20	5	0.76	0.87	12.2	0.12	none	0.0	9.32	264
720	**Wackenhut**	**–18.1**	21½	40	12	1.72	2.11	12.5	0.16	0.60	2.8	8.71	83
29	**Wal-Mart Stores**	**268.7**	29⅜	37	7	1.04	1.43	28.3	1.15	0.14	0.5	3.50	33,276
224	**Walgreen**	**78.7**	50¼	53	24	2.83	3.25	17.8	0.51	0.92	1.8	13.38	3,091
663	**Wallace Computer Svs**	**–8.5**	18⅛	32	16	1.86	1.97	9.7	0.86	0.50	2.8	13.04	387
1043	**Wang Laboratories**	**–84.7**	3	22	3	–3.95	–0.18	def	0.20	none	0.0	2.51	496
66	**Warner-Lambert**	**180.0**	66½	70	22	3.52	4.19	18.9	1.99	1.52	2.3	8.38	8,929
458	**Washington Gas Light**	**24.6**	27⅞	33	20	2.51	2.60	11.1	0.74	2.04	7.3	19.72	542
284	**Washington Mutual**	**61.0**	12¼	26	8	1.77	2.85	6.9	0.26	0.44	3.6	24.18	188
919	**Washington National**	**–53.3**	12¼	38	12	0.25	1.25	49.0	0.17	1.08	8.8	31.17	133
319	**Washington Post**	**52.0**	180½	311	115	14.96	15.01	12.1	1.51	4.00	2.2	75.40	2,193
22	**Waste Management**	**283.1**	34	46	9	1.42	1.79	24.0	3.03	0.36	1.1	5.98	16,401
611	**Waxman Inds**	**1.2**	4⅛	13	3	0.63	0.65	6.6	0.09	0.12	2.9	3.96	41
NR	**Weirton Steel**	**NA**	7	15	6	0.99	1.45	7.1	0.12	0.64	9.1	16.29	140
574	**Weis Markets**	**6.7**	29	42	22	1.90	2.13	15.3	1.03	0.60	2.1	12.52	1,306
451	**Wellman**	**25.8b**	14⅝	43	6	2.05	2.03	7.1	0.59	0.12	0.8	9.97	468
254	**Wells Fargo**	**69.2**	53⅝	88	31	13.43	12.88	4.0	0.48	4.00	7.5	48.08	2,753
912	**Wendy's Intl**	**–52.4**	6⅜	18	4	0.38	0.44	16.8	0.61	0.24	3.8	4.45	617
900	**Western Digital**	**–50.0**	5¼	33	4	0.82	0.99	6.4	0.14	none	0.0	11.20	153
665	**Western Publishing**	**–8.8a**	11⅝	23	9	0.94	1.10	12.4	0.49	none	0.0	9.42	245
1074	**Western Union**	**–97.7**	¼	14	†	–1.63	–1.50	def	0.04	none	0.0	–8.78	26
472	**Westinghouse**	**22.5**	27¼	39	20	3.37	3.67	8.1	0.62	1.40	5.1	15.11	7,946
337	**Westmark Intl**	**47.6b**	23¼	52	13	1.81	2.32	12.8	0.47	none	0.0	27.33	223
648	**Westmoreland Coal**	**–6.0**	19½	28	13	1.78	1.96	11.0	0.28	0.32	1.6	18.27	161
392	**Westvaco**	**36.1**	25⅝	38	18	2.90	2.72	8.8	0.69	1.05	4.1	22.91	1,666
318	**Wetterau**	**52.1**	29¾	36	16	2.13	2.63	14.0	0.11	0.64	2.2	10.37	628
637	**Weyerhaeuser**	**–4.2**	19⅝	40	17	0.92	1.87	21.3	0.42	1.20	6.1	19.13	4,020
NR	**Wheelabrator Tech**	**NA**	36	39	31	1.14	2.14	31.6	1.20	none	0.0	14.22	1,463
840	**Wheeling-Pittsburgh**	**–37.8**	5⅛	28	2	16.14	NA	0.3	0.02	none	0.0	–3.10	26
666	**Whirlpool**	**–8.9**	22½	42	18	2.53	2.09	8.9	0.24	1.10	4.9	20.49	1,563
641	**Whitman**	**–4.9**	18¼	41	17	–0.11	1.82	def	0.66	1.06	5.8	12.11	1,874
55	**Wholesale Club**	**200.1**	19⅞	25	3	0.98	1.14	20.3	0.23	none	0.0	5.18	154
480	**Wicor**	**21.0**	18¾	26	13	1.66	2.40	11.3	0.37	1.44	7.7	17.92	258
520	**Willamette Inds**	**14.1**	35¼	63	30	6.64	5.21	5.3	0.47	1.60	4.5	35.44	896
519	**Willcox & Gibbs**	**14.1**	6½	21	5	0.95	1.32	6.8	0.16	0.10	1.5	7.95	90
636	**Williams Cos**	**–4.2**	28½	45	18	0.92	2.06	31.0	0.65	1.40	4.9	25.60	1,175
237	**Winn-Dixie Stores**	**73.3**	33¼	39	17	1.93	2.09	17.3	0.26	1.08	3.2	10.39	2,612
1034	**Winnebago Industries**	**–82.0**	2¼	21	2	–0.72	0.02	def	0.17	none	0.0	5.30	56
314	**Wisconsin Energy**	**52.9**	30⅜	32	19	2.78	2.98	10.9	1.41	1.76	5.8	20.23	2,046
475	**Wisconsin Public Svc**	**22.1**	23⅞	32	19	2.00	2.16	11.9	0.95	1.66	7.0	16.51	547
600	**Witco**	**2.5**	27½	47	22	1.37	3.27	20.1	0.38	1.72	6.3	25.26	607
NR	**WLR Foods**	**NA**	14¾	19	9	1.52	1.76	9.7	0.31	0.32	2.2	10.29	155
167	**Woolworth**	**97.5**	29⅝	37	15	2.67	3.04	11.1	0.40	1.04	3.5	15.98	3,828
368	**Worthington Inds**	**40.7**	20⅝	26	13	1.35	1.83	15.3	0.88	0.60	2.9	8.64	813
497	**WPL Holdings**	**18.3**	23⅞	30	20	2.48	2.22	9.6	1.04	1.74	7.3	15.90	637
37	**Wm Wrigley Jr**	**244.4**	53⅜	59	14	2.87	3.26	18.6	1.93	1.62	3.0	8.73	2,096
1048	**WTD Industries**	**–87.6a**	1½	27	†	–4.14	0.79	def	0.02	none	0.0	6.20	9
679	**Wyle Laboratories**	**–12.0**	10⅜	18	7	1.23	1.29	8.4	0.23	0.28	2.7	9.77	100
959	**Wyman-Gordon**	**–62.4**	8	25	6	–0.08	0.56	def	0.36	0.80	10.0	13.49	143
871	**Xerox**	**–42.9**	34⅛	85	29	1.40	5.43	24.4	0.18	3.00	8.8	64.68	3,148
727	**Yellow Freight Sys**	**–19.0**	23½	42	19	0.90	2.51	26.1	0.29	0.94	4.0	16.73	669
986	**Zenith Electronics**	**–70.1**	6⅛	34	4	–2.44	–0.56	def	0.11	none	0.0	14.90	164
924	**Zenith National Ins**	**–54.1**	10¾	30	10	1.50	2.44	7.2	0.43	0.88	8.2	14.74	212
245	**Zurn Industries**	**72.2**	33¼	51	15	2.27	3.05	14.6	0.63	0.88	2.6	18.47	412

Note: Except as indicated, price changes are from Dec. 31, 1985 to Nov. 14, 1990. †: Less than $1. NR: Not ranked because of merger, spinoff, reorganization, new issue or conversion to stock company. Range is for period since such change. a: Four-year price change. b: Three-year price change. c: Does not reflect special cash dividend paid. NA: Not available. NM: Not meaningful. def: Deficit.

Sources: Forbes; Media General; Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

WHO'S WHERE IN

PROFITABILITY

America's major corporations maintained solid double-digit profit growth for the five-year period, but the profit growth sputtered last year.

By Gustavo Lombo

FIVE-YEAR AVERAGE RETURN on equity for the median company in this industry survey was 14.6%, versus 14.3% the year before, but despite that slight gain, 1990 was not a highly spectacular year. Latest 12-month return on equity for these companies slumped from 14.4% to 12.1%. (Note: Latest 12-month results may overlap as many as two quarters of the five-year average, which is based on fiscal results.)

L.A. Gear, the aptly named Los Angeles-based athletic footwear and apparel maker, had the highest return on equity over the long haul, an 83.2% annualized rate. (L.A. Gear went public in 1986, so its profitability is based only on four-year, rather than five-year, results.) Such high returns are, of course, unsustainable. L.A. Gear's latest 12-month return on equity is down to 28%. This sharp decline reflects little more than the fact that as a company's capital grows, a given amount of earnings yields a smaller return on equity.

As in prior years, corporations with the highest long-term profitability tend to be smaller, rapidly expanding firms such as L.A. Gear, MagneTek and Delta Woodside Industries. But there are exceptions. A significant restructuring can easily make a big established corporation look like an earnings dynamo.

Union Carbide's 32% return on equity is the highest among the 15 diversified chemical companies in this survey. Remember: This high return reflects not so much high profitability as it does a thin equity base. In 1986 Union Carbide restructured and slashed stockholders' equity to fend off an unwanted takeover. The company has gradually replenished its equity. On the basis of its latest 12-month return on equity, 14%, Union Carbide places ninth in its industry.

Even in a down year there are some standouts. Earnings rose close to 60% for Microsoft and Coca-Cola, and more than 40% for Nike. As a result, all three companies showed spectacular profitability performance over the last 12 months.

For more information on how FORBES calculates return on equity and other yardstick figures, see page 95. ■

		—Return on equity—	
Company	rank	5-year average %	latest 12 mos %
LA Gear	1	83.2a	27.8
Pulitzer Publishing	2	80.6	41.7
Georgia Gulf	3	78.4a	31.4
Delta Woodside Inds	4	63.7	3.5
Allegheny Ludlum	5	63.7b	27.9
MagneTek	6	61.6	28.9
Teledyne	7	60.9a	24.1
Reader's Digest Assn	8	60.3a	35.9
FHP International	9	60.2b	22.8
WTD Industries	10	58.7	def
Vista Chemical	11	56.4	NE
American Home Prods	12	55.4	61.1
Holly Corp	13	52.3	500.0+
General Mills	14	51.0a	46.0
Oracle Systems	15	50.6	20.9
Microsoft	16	50.4	39.5
Rollins	17	50.4	37.3
Conseco	18	47.6	24.9
Lands' End	19	47.5	14.2
Sotheby's Holdings	20	46.7	46.0
General Cinema	21	46.6	4.0
Novell	22	46.6	31.2
Conner Peripherals	23	46.4b	40.3
Reebok International	24	45.1	20.2
Inco	25	44.9	34.3
Merck	26	44.6	48.9
Everex Systems	27	44.3	20.9
PSI Resources	28	43.7	20.4
Ralston Purina	29	43.5	32.1
Bandag	30	43.3	36.5
Compaq Computer	31	42.7	30.5
Carnival Cruise Lines	32	42.3	23.4
Marsh & McLennan Cos	33	41.7	34.7
Wellman	34	41.7a	20.6
CBS	35	41.6	12.0
Gitano Group	36	41.5b	24.7
Mark IV Industries	37	40.9	36.2
Harley-Davidson	38	40.4	28.7
Liz Claiborne	39	40.2	31.4
Syntex	40	39.6	53.4
Jostens	41	39.3	25.2
Coca-Cola	42	39.1	57.0
Kellogg	43	39.0	27.8
Student Loan	44	38.3	33.9
Union Texas Petrol	45	37.4	8.9

NA: Not available. NE: Negative equity. def: Deficit. a: Four-year average. b: Three-year average.

Company	rank	—Return on equity— 5-year average %	latest 12 mos %
Apple Computer	46	37.2	32.0
UST Inc	47	36.6	42.1
Circus Circus	48	36.1	44.2
Lotus Development	49	36.1	29.3
Wal-Mart Stores	50	36.0	29.7
Phillips-Van Heusen	51	36.0	16.1
Marion Merrell Dow	52	35.8	42.5
First Capital Holding	53	35.6	12.3
Maxxam	54	35.6	68.7
Limited	55	35.4	30.3
Valhi	56	34.5	24.9
Abbott Laboratories	57	34.4	34.7
Morgan Stanley	58	34.2a	19.1
Warner-Lambert	59	34.1	41.9
Affiliated Pubs	60	33.9	16.0
Washington Post	61	33.8	19.8
Philip Morris Cos	62	33.7	37.0
Birmingham Steel	63	33.3a	9.5
Charter	64	33.2	def
Waxman Inds	65	33.2	18.2
Arden Group	66	33.0	27.7
Gap	67	32.8	35.9
Hudson Foods	68	32.3	7.3
20th Century Inds	69	32.3	25.5
Paramount Commun	70	32.2	37.2
Union Carbide	71	32.2	14.4
Danaher	72	32.1	29.4
Food Lion	73	32.0	30.5
Kelly Services	74	31.6	25.2
Terex	75	31.6	23.0
Tyson Foods	76	31.4	26.2
Intelligent Electron	77	31.0	27.6
Circuit City Stores	78	30.9	22.6
UAL	79	30.8	14.4
Deluxe	80	30.8	26.6
Geico	81	30.6	24.3
Argonaut Group	82	30.6	17.3
Computer Associates	83	30.4	17.1
Harman International	84	30.2	12.3
Blair	85	30.1	32.0
Martin Marietta	86	29.9	25.3
Air Express Intl	87	29.9	26.4
Dow Chemical	88	29.8	19.0
Merisel	89	29.8	6.9
Smithfield Foods	90	29.4	28.5
Hartford Steam Boiler	91	29.1	22.5
Blockbuster	92	28.8	27.6
Stone Container	93	28.7	11.2
Pilgrim's Pride	94	28.7	18.7
Wm Wrigley Jr	95	28.6	32.9
PepsiCo	96	28.5	25.7
Progressive	97	28.0	19.6
Alexander & Baldwin	98	27.9	18.0
Getty Petroleum	99	27.7	10.0
Dow Jones	100	27.7	8.8
Ryland Group	101	27.7	15.0
Stanhome	102	27.5	28.1
Micron Technology	103	27.4	1.0
Price Co	104	27.1	23.0
Maytag	105	26.9	12.5
Sigma-Aldrich	106	26.9	22.8
CPC International	107	26.8	25.7

Company	rank	—Return on equity— 5-year average %	latest 12 mos %
NIKE	108	26.8	39.1
Kaufman & Broad Home	109	26.6b	29.9
Johnson & Johnson	110	26.5	26.8
Walt Disney	111	26.4	26.7
Commerce Clearing	112	26.4	16.7
Dun & Bradstreet	113	26.1	23.6
Merry-Go-Round	114	25.9	33.3
Albany International	115	25.9	8.2
HJ Heinz	116	25.8	27.1
CDI	117	25.8	13.3
Caesars World	118	25.8	13.6
Federal Paper Board	119	25.7	20.5
Western Publishing	120	25.6	10.0
Ford Motor	121	25.5	7.5
Federal Natl Mortgage	122	25.5	33.6
PacifiCare Health	123	25.3	36.3
Pic'N'Save	124	25.1	7.2
JB Hunt Transport	125	25.1	18.2
Torchmark	126	25.1	28.8
Standard Products	127	25.0	5.7
PH Glatfelter	128	25.0	21.8
Home Depot	129	25.0	27.5
New York Times	130	24.9	3.3
Loews	131	24.9	18.5
H&R Block	132	24.9	25.4
Centel	133	24.9	25.4
Cray Research	134	24.8	21.7
Shaw Industries	135	24.8	29.6
LADD Furniture	136	24.8	6.3
Eli Lilly	137	24.8	26.9
Giant Food	138	24.8	23.0
Handleman	139	24.7	15.6
Olsten	140	24.7	17.4
Stride Rite	141	24.7	32.4
Marriott	142	24.5	16.5
Browning-Ferris Inds	143	24.3	def
Raytheon	144	24.2	22.7
Waste Management	145	24.2	23.7
Spiegel	146	24.2	18.1
Tyco Laboratories	147	24.2	23.0
JWP	148	24.2	26.8
Gillette	149	24.1	47.6
MCI Communications	150	24.0	17.6
Schering-Plough	151	23.9	27.9
Longview Fibre	152	23.8	15.7
Atlantic Richfield	153	23.8	23.4
McCormick & Co	154	23.8	18.2
TBC	155	23.8	23.9
Golden West Finl	156	23.8	17.2
Westinghouse	157	23.6	22.3
Anheuser-Busch Cos	158	23.6	22.9
EG&G	159	23.5	20.9
Willamette Inds	160	23.2	18.7
Safety-Kleen	161	23.1	19.2
Oshkosh Truck	162	23.1	1.4
Premier Industrial	163	23.1	32.8
Great Lakes Chemical	164	23.1	23.0
Precision Castparts	165	23.0	12.9
Rubbermaid	166	22.9	21.8
Melville	167	22.9	19.5
Charming Shoppes	168	22.8	13.7
Freeport-McMoRan	169	22.8	90.5

Company	rank	—Return on equity— 5-year average %	latest 12 mos %
Tosco	170	22.8	62.6
Brown-Forman	171	22.8	15.4
WR Berkley	172	22.8	13.0
HON Industries	173	22.7	24.3
Albertson's	174	22.7	23.8
ConAgra	175	22.6	22.9
Pope & Talbot	176	22.6	16.6
Fruit of the Loom	177	22.5a	28.3
Equifax	178	22.5	16.3
Loctite	179	22.5	25.0
Sun Microsystems	180	22.5	15.7
CR Bard	181	22.4	12.9
Mercury General	182	22.3	31.1
Gannett	183	22.3	19.4
Valspar	184	22.3	22.8
McDonald's	185	22.2	21.1
Knight-Ridder	186	22.1	18.3
Rockwell Intl	187	22.1	16.1
Snap-on Tools	188	22.0	18.5
Betz Laboratories	189	22.0	22.3
Consolidated Papers	190	21.9	18.7
Nalco Chemical	191	21.9	27.0
Sara Lee	192	21.9	18.8
Toys 'R' Us	193	21.8	18.8
Fairchild	194	21.8	11.2
Sonoco Products	195	21.8	9.4
Medtronic	196	21.7	19.4
Times Mirror	197	21.6	10.6
Colgate-Palmolive	198	21.6	21.0
Minn Mining & Mfg	199	21.6	22.1
Genuine Parts	200	21.5	21.1
Gibson Greetings	201	21.5	17.2
American Express	202	21.4	4.9
WLR Foods	203	21.4	15.8
American Brands	204	21.4	25.3
Nacco Industries	205	21.3	16.8
Lance	206	21.3	21.4
Selective Insurance	207	21.3	14.1
Toro	208	21.2	13.9
Pinkerton	209	21.2a	31.1
Dean Foods	210	21.2	19.5
Vulcan Materials	211	21.2	18.3
Interpublic Group	212	21.2	21.0
Worthington Inds	213	21.1	16.2
Ethyl	214	21.1	25.5
Chemed	215	21.0	11.9
Seagate Technology	216	21.0	17.3
Drug Emporium	217	21.0	14.9
A Schulman	218	20.8	21.9
Illinois Tool Works	219	20.8	20.3
AMAX	220	20.8	10.9
LIVE Entertainment	221	20.8	11.9
Genesco	222	20.8	5.8
Walgreen	223	20.8	21.2
Kimberly-Clark	224	20.7	20.8
Bristol-Myers Squibb	225	20.7b	19.0
Quaker Oats	226	20.7	10.9
Hillenbrand Inds	227	20.7	19.0
Pall	228	20.6	17.8
American Intl Group	229	20.5	16.9
Rhône-Poulenc Rorer	230	20.5	def
Burlington Northern	231	20.4	24.1

NA: Not available. NE: Negative equity. def: Deficit. a: Four-year average. b: Three-year average.

WHO'S WHERE IN PROFITABILITY

		—Return on equity—	
Company	rank	5-year average %	latest 12 mos %
Tandy	232	20.3	16.4
PPG Industries	233	20.3	18.9
Hannaford Bros	234	20.3	19.1
Ametek	235	20.3	18.9
Nordstrom	236	20.2	13.8
Alco Standard	237	20.2	17.3
Hershey Foods	238	20.2	20.0
Household Intl	239	20.1	17.9
Capital Holding	240	20.1	13.0
Bruno's	241	20.1	20.0
Florida Rock Inds	242	20.1	12.8
Western Digital	243	20.0	7.9
National Health Labs	244	20.0b	23.7
Humana	245	19.9	22.8
VF	246	19.9	15.8
Intl Flavors & Frags	247	19.9	19.9
AMP	248	19.9	17.8
Hubbell	249	19.9	19.5
Comdisco	250	19.8	15.3
State Street Boston	251	19.8	18.6
Paccar	252	19.8	15.6
Rite Aid	253	19.8	14.8
Emerson Electric	254	19.8	19.9
3Com	255	19.7a	11.1
JM Smucker	256	19.7	17.6
Georgia-Pacific	257	19.7	17.2
Pitney Bowes	258	19.6	9.9
General Re	259	19.6	19.2
Savannah Foods	260	19.6	28.7
Tribune	261	19.6	13.6
First Union	262	19.5	12.7
Bear Stearns Cos	263	19.5b	10.9
Herman Miller	264	19.5	16.2
Tambrands	265	19.5	8.4
Michigan National	266	19.4	9.2
Gerber Products	267	19.4	27.9
Automatic Data	268	19.4	20.8
Smith's Food & Drug	269	19.4a	13.5
American Family	270	19.4	15.6
Newell Co	271	19.3	22.6
Kellwood	272	19.2	2.1
Scott Paper	273	19.2	13.6
Safeco	274	19.1	14.3
Dover	275	19.1	21.1
Clorox	276	19.1	18.5
Interface	277	19.0	16.3
General Electric	278	19.0	20.5
Sherwin-Williams	279	19.0	18.0
Bancorp Hawaii	280	19.0	18.5
MCN	281	18.9b	12.4
Super Valu Stores	282	18.9	17.3
Amdahl	283	18.9	13.8
Phelps Dodge	284	18.9	15.8
Reynolds Metals	285	18.9	15.5
Quantum	286	18.8	33.3
Becton Dickinson	287	18.8	16.7
Leucadia National	288	18.8	35.8
Pfizer	289	18.8	15.9
Leggett & Platt	290	18.8	16.0
Vishay Intertech	291	18.8	17.8
Lockheed	292	18.7	4.9
Hanover Insurance	293	18.6	6.3
Chrysler	294	18.6	def
Flowers Industries	295	18.6	15.6
Russell	296	18.5	17.0
General Dynamics	297	18.5	1.6
Mapco	298	18.4	28.7
NCR	299	18.4	20.3
CoreStates Financial	300	18.4	18.2
RR Donnelley & Sons	301	18.3	15.6
Eaton	302	18.3	15.6
St Paul Cos	303	18.2	18.1
Dillard Dept Stores	304	18.2	16.3
Wetterau	305	18.2	20.5
Loral	306	18.2	13.9
Adia Services	307	18.2	10.8
Family Dollar Stores	308	18.2	16.1
Signet Banking	309	18.1	9.0
Cooper Tire & Rubber	310	18.1	21.0
Wells Fargo	311	18.1	27.9
MNC Financial	312	18.1	def
Thomas & Betts	313	18.1	14.2
Crane	314	18.1	21.0
Commtron	315	18.0	16.8
Sequa	316	18.0	8.5
Chubb	317	18.0	16.8
Ecolab	318	18.0	3.4
Weis Markets	319	17.9	15.2
Blount	320	17.9	7.8
SunTrust Banks	321	17.9	16.7
C&S/Sovran	322	17.9	11.4
Armstrong World Inds	323	17.8	15.6
Quantum Chemical	324	17.8	NE
Sysco	325	17.8	19.5
NCNB	326	17.7	16.3
Goodyear	327	17.7	def
May Dept Stores	328	17.7	19.3
Bausch & Lomb	329	17.7	17.5
National City	330	17.7	17.7
US Healthcare	331	17.7	31.8
CNA Financial	332	17.7	8.7
Rohm & Haas	333	17.6	14.6
Longs Drug Stores	334	17.6	17.0
Aon	335	17.6	16.4
Figgie Intl	336	17.6	16.8
Universal	337	17.6	9.6
AST Research	338	17.6	30.5
WW Grainger	339	17.6	17.0
Alberto-Culver	340	17.6	21.3
Dibrell Brothers	341	17.5	15.9
Willcox & Gibbs	342	17.5	11.9
Old Kent Financial	343	17.5	15.9
Fleet/Norstar Finl	344	17.5	3.9
Seaway Food Town	345	17.5	9.1
Consolidated Stores	346	17.5	def
Bob Evans Farms	347	17.5	13.1
Stewart & Stevenson	348	17.5	18.9
USG	349	17.4	NE
Cincinnati G&E	350	17.4	16.6
Valmont Industries	351	17.4	18.0
TRW	352	17.4	13.0
Banc One	353	17.4	17.4
Apogee Enterprises	354	17.4	16.7
Masco	355	17.4	9.8
First Wachovia	356	17.4	16.6
Wallace Computer Svs	357	17.3	16.1
General Motors EDS	358	17.3	11.2
Schultz Sav-O Stores	359	17.3	11.7
Lukens	360	17.3	22.1
Fleetwood Enterprises	361	17.3	12.2
Potomac Electric	362	17.3	12.6
Woolworth	363	17.3	16.7
SouthTrust	364	17.3	13.7
Alltel	365	17.3	16.8
Sudbury	366	17.2	0.0
Universal Foods	367	17.2	23.5
AG Edwards	368	17.2	16.3
Winn-Dixie Stores	369	17.2	19.1
Barnett Banks	370	17.2	9.7
Banta	371	17.2	8.5
Best Buy Co	372	17.1	9.0
Cincinnati Bell	373	17.1	15.3
Kemper	374	17.0	0.9
Jacobs Engineering	375	17.0	23.4
QVC Network	376	17.0b	def
Dayton Hudson	377	17.0	19.4
Mead	378	17.0	9.3
Temple-Inland	379	17.0	18.0
Reynolds & Reynolds	380	17.0	19.8
Molex	381	17.0	14.2
National Service	382	16.9	16.2
Delta Air Lines	383	16.9	3.5
Bowater	384	16.9	10.4
Morton International	385	16.9	14.9
Omnicom Group	386	16.9	22.3
Midlantic	387	16.9	def
Curtice Burns Foods	388	16.9	5.9
Union Camp	389	16.8	13.7
Casey's General Store	390	16.8	11.1
First Financial Mgmt	391	16.8	13.1
E-Systems	392	16.8	14.7
Upjohn	393	16.8	11.0
Applied Power	394	16.8	21.5
Southwestern Pub Svc	395	16.8	17.6
Nicor	396	16.8	18.5
Kimball International	397	16.8	16.2
Intel	398	16.7	22.0
Super Food Services	399	16.7	16.0
JC Penney	400	16.7	15.6
Square D	401	16.7	17.6
Federal Signal	402	16.7	22.3
PNC Financial	403	16.7	8.5
RPM	404	16.6	18.3
Cincinnati Financial	405	16.6	12.1
Cardinal Distribution	406	16.6	11.8
Potlatch	407	16.6	16.1
Carter-Wallace	408	16.6	15.1
Southdown	409	16.5	13.5
Bemis	410	16.5	18.6
NCH	411	16.5	19.9
Masco Industries	412	16.4	0.0
La-Z-Boy Chair	413	16.4	12.1
Marshall & Ilsley	414	16.4	14.0
Reliance Group	415	16.4	67.4
Ogden	416	16.4	15.3
Modine Manufacturing	417	16.4	14.8

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Company	rank	—Return on equity— 5-year average %	latest 12 mos %
Fuqua Industries	418	16.3	3.5
Dominion Bankshares	419	16.3	2.3
United Stationers	420	16.3	7.5
UJB Financial	421	16.3	4.1
Digital Equipment	422	16.2	def
Rouse	423	16.2	def
Hewlett-Packard	424	16.2	13.4
GATX	425	16.2	14.5
Minnesota Power & Lt	426	16.2	11.7
Lubrizol	427	16.2	27.1
Marshall Industries	428	16.1	14.9
Maxtor	429	16.1	12.3
Alcan Aluminium	430	16.1	10.3
Nucor	431	16.1	11.9
Ohio Casualty	432	16.1	10.4
Hilton Hotels	433	16.1	12.6
Leslie Fay Cos	434	16.0	17.9
Morrison	435	16.0	12.4
Central Newspapers	436	16.0a	12.5
United Telecom	437	15.9	15.8
Bergen Brunswig	438	15.9	15.9
Asarco	439	15.9	14.2
Capital Cities/ABC	440	15.9	15.3
Ameritech	441	15.9	15.7
First American Finl	442	15.9	6.4
Stanley Works	443	15.7	14.7
SPX	444	15.7	7.8
Block Drug	445	15.7	14.1
Applied Materials	446	15.6	15.9
Millipore	447	15.6	13.3
InterTAN	448	15.6b	11.1
Phillips Petroleum	449	15.6	2.0
Wisconsin Energy	450	15.6	13.7
Peoples Energy	451	15.6	12.8
Standard Register	452	15.6	12.1
Mercantile Stores	453	15.6	12.2
Ipalco Enterprises	454	15.5	13.9
Chesapeake	455	15.5	8.1
Corning	456	15.5	16.2
CalMat	457	15.5	21.2
Alexander & Alexander	458	15.5	12.8
Society	459	15.5	16.2
South Carolina Natl	460	15.5	12.7
NBD Bancorp	461	15.4	16.0
Edison Bros Stores	462	15.4	26.6
Dynatech	463	15.4	11.5
LB Foster	464	15.4	4.0
Texas Instruments	465	15.4	0.9
Wackenhut	466	15.4	19.7
Constar Intl	467	15.3	11.2
McGraw-Hill	468	15.3	2.6
Pep Boys	469	15.3	12.6
Intergraph	470	15.3	10.6
Florida Progress	471	15.2	11.6
Zenith National Ins	472	15.2	10.2
Security Pacific	473	15.2	16.3
Computer Sciences	474	15.2	14.3
Village Super Market	475	15.2	9.0
Marsh Supermarkets	476	15.2	16.7
Geo A Hormel	477	15.2	16.4
TECO Energy	478	15.2	15.5
Diamond Shamrock	479	15.1b	21.2
SCEcorp	480	15.1	13.7
First of America Bank	481	15.1	13.7
Univar	482	15.1	16.9
Chiquita Brands Intl	483	15.1	17.3
Westvaco	484	15.1	12.7
Castle & Cooke	485	15.1a	14.9
AAR Corp	486	15.1	14.2
Contel	487	15.0	12.7
Moore Corp	488	15.0	10.6
Alcoa	489	15.0	11.6
BayBanks	490	15.0	def
Helene Curtis Inds	491	15.0	5.8
GenCorp	492	15.0	18.0
Baltimore G&E	493	15.0	9.3
Huntington Bcshs	494	15.0	11.4
Pentair	495	15.0	10.0
Central Steel & Wire	496	14.9	10.5
Collins Foods Intl	497	14.9	11.8
Ingles Markets	498	14.9	9.6
Crown Cork & Seal	499	14.9	13.1
KeyCorp	500	14.9	15.0
Mattel	501	14.8	43.5
Strawbridge	502	14.8	12.5
So N England Telecom	503	14.8	11.5
Crestar Financial	504	14.8	12.0
Old Republic Intl	505	14.8	15.0
Ferro	506	14.8	8.8
Procter & Gamble	507	14.7	20.2
Businessland	508	14.7	def
Burlington Coat	509	14.7	11.7
Air Prods & Chems	510	14.7	15.8
Thomas Industries	511	14.7	11.9
Pioneer Hi-Bred Intl	512	14.7	11.7
Imperial Holly	513	14.7	16.8
San Diego G&E	514	14.6	16.2
Kentucky Utilities	515	14.6	15.1
Pacific Telesis	516	14.6	14.0
International Paper	517	14.6	14.4
EI du Pont de Nemours	518	14.6	15.1
Union Electric	519	14.6	15.8
Manufacturers Natl	520	14.6	16.2
No States Power	521	14.5	14.8
UtiliCorp United	522	14.5	11.5
Thiokol	523	14.5	17.2
Laclede Gas	524	14.5	7.8
Piedmont Natural Gas	525	14.5	14.1
Comerica	526	14.5	18.6
Grey Advertising	527	14.5	13.2
Manor Care	528	14.5	13.4
Standard Fedl Bank	529	14.4b	9.0
Boise Cascade	530	14.4	6.6
Union Bank	531	14.4	17.0
BellSouth	532	14.4	13.3
GTE	533	14.4	17.0
Ross Stores	534	14.4	20.5
Oklahoma G&E	535	14.4	16.0
Berkshire Hathaway	536	14.4	7.7
AmSouth Bancorp	537	14.4	10.9
US Bancorp	538	14.3	16.7
Scana	539	14.3	20.0
PacifiCorp	540	14.3	14.7
DPL	541	14.3	14.8
Archer Daniels	542	14.3	14.3
American Cyanamid	543	14.3	14.4
US West	544	14.3	13.8
Public Service Colo	545	14.3	14.9
Meridian Bancorp	546	14.2	3.8
General Public Utils	547	14.2	13.7
Exxon	548	14.2	12.6
Fay's	549	14.2	15.8
SCI Systems	550	14.1	8.7
American Electric	551	14.1	13.1
Houghton Mifflin	552	14.1	12.5
Litton Industries	553	14.1	13.3
Atlantic Energy	554	14.1	12.2
Beckman Instruments	555	14.1b	13.5
Dana	556	14.1	9.1
Allegheny Power	557	14.0	12.0
Ashland Oil	558	14.0	16.2
Dexter	559	14.0	12.9
WPL Holdings	560	14.0	15.6
Monsanto	561	14.0	15.6
AM Castle & Co	562	14.0	8.3
Duke Power	563	13.9	14.5
Washington Gas Light	564	13.9	12.7
Louisiana-Pacific	565	13.9	11.4
Northern Telecom	566	13.8	15.4
Durr-Fillauer	567	13.8	14.7
Bell Atlantic	568	13.8	12.1
Lancaster Colony	569	13.8	11.4
IBM	570	13.8	10.8
Central & So West	571	13.8	13.3
Hechinger	572	13.8	8.4
Raychem	573	13.8	def
Wisconsin Public Svc	574	13.8	12.1
Great A&P Tea	575	13.8	14.0
Iowa-Illinois G&E	576	13.8	11.7
Dominion Resources	577	13.8	14.4
Orange & Rockland	578	13.7	13.3
HF Ahmanson	579	13.7	12.4
Tandem Computers	580	13.7	11.0
MicroAge	581	13.7	22.4
Rochester Telephone	582	13.7	11.0
Kansas Power & Light	583	13.7	11.6
Firstar	584	13.7	17.1
Commerce Bcshs	585	13.6	13.5
Pennsylvania P&L	586	13.6	14.9
Delmarva Power & Lt	587	13.6	12.4
Texas Utilities	588	13.6	14.3
PHM	589	13.6	11.5
INB Financial	590	13.6	10.4
Eastman Kodak	591	13.6	4.7
Southwest Gas	592	13.6	8.7
AMR	593	13.6	5.6
Consolidated Edison	594	13.6	11.8
Guilford Mills	595	13.6	def
FPL Group	596	13.5	def
Circle K	597	13.5	NE
Lafarge	598	13.4	7.8
CILcorp	599	13.4	11.0
EW Scripps	600	13.4b	8.9
Coastal Corp	601	13.4	11.4
Avery Dennison	602	13.4a	10.7
PHH	603	13.4	10.4

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WHO'S WHERE IN PROFITABILITY

Company	rank	—Return on equity— 5-year average %	latest 12 mos %
Salem Carpet Mills	604	13.4	5.5
Dixie Yarns	605	13.4	3.9
Hasbro	606	13.4	10.7
Transamerica	607	13.3	11.0
Pub Svc Enterprise	608	13.3	12.5
Hills Dept Stores	609	13.3a	def
Allied-Signal	610	13.3	14.1
Lincoln Electric	611	13.3	12.8
Northern Trust	612	13.3	18.5
General Motors	613	13.3	def
Ruddick	614	13.3	14.6
Brooklyn Union Gas	615	13.2	10.7
Seagram	616	13.2	13.3
Inacomp Computer	617	13.2	15.2
Commercial Metals	618	13.2	13.4
Southwestern Bell	619	13.2	12.8
Midwest Resources	620	13.2	11.0
Kmart	621	13.2	6.7
Wicor	622	13.1	9.3
HB Fuller	623	13.1	10.4
Donaldson	624	13.1	16.6
Parker Hannifin	625	13.1	12.1
Cooper Industries	626	13.1	12.0
Washington Mutual	627	13.0	7.3
Premark Intl	628	13.0b	5.5
Textron	629	13.0	10.7
Commonwealth Energy	630	13.0	10.2
National Medical	631	12.9	20.4
Amoco	632	12.9	12.4
GlenFed	633	12.9	9.6
Seaboard	633	12.9	13.5
Champion Intl	635	12.9	7.7
Puget Sound P&L	636	12.9	11.6
Brunswick	637	12.8	9.4
Houston Industries	638	12.8	11.1
Southern Company	639	12.8	9.1
Tecumseh Products	640	12.8	4.5
Service Merchandise	641	12.8	NE
Kentucky Central Life	642	12.7	7.6
Nashua	643	12.7	10.9
Whirlpool	644	12.7	12.3
Kaman	645	12.7	10.7
Norwest	646	12.7	19.0
Delchamps	647	12.7	13.9
James River Corp Va	648	12.6	2.2
Ingersoll-Rand	649	12.6	14.6
LG&E Energy	650	12.6	10.5
Oneida	651	12.6	9.3
United Technologies	652	12.6	14.6
Ply Gem Industries	653	12.6	5.8
Philadelphia Elec	654	12.6	3.0
Uslico	655	12.6	9.4
Genovese Drug Stores	656	12.6	9.5
Barnes Group	657	12.6	8.6
HomeFed	658	12.5	def
Town & Country	659	12.5	7.3
Lowe's Cos	660	12.5	12.7
Nynex	661	12.5	8.9
Boeing	662	12.5	18.7
Aetna Life & Cas	663	12.4	8.7
Carolina Power & Lt	664	12.4	10.8
Olin	665	12.3	14.7
Motorola	666	12.3	13.7
Yellow Freight Sys	667	12.3	5.4
Centex	668	12.3	13.5
Thermo Electron	669	12.3	13.1
Alaska Air Group	670	12.3	8.2
Quanex	671	12.2	15.4
Lennar	672	12.2	7.4
Primerica	673	12.2	13.9
McKesson	674	12.2	10.7
Ohio Edison	675	12.1	11.8
Kennametal	676	12.1	15.0
Mobil	677	12.1	10.1
Zurn Industries	678	12.1	12.3
Roadway Services	679	12.1	14.4
Cipsco	680	12.1	11.4
Rykoff-Sexton	681	12.1	5.4
Northeast Utilities	682	12.0	12.5
Johnson Controls	683	12.0	7.3
Hercules	684	12.0	def
IE Industries	685	12.0	22.5
Gt Western Financial	686	12.0	5.7
First Tennessee Natl	687	12.0	12.5
Provident Life & Acc	688	12.0	15.0
UGI	689	12.0	9.3
Nash Finch	690	11.9	11.2
Ball Corp	691	11.9	10.2
American Stores	692	11.9	12.6
Consol Natural Gas	693	11.9	9.4
Trinova	694	11.9	9.8
Meredith	695	11.9	9.2
Morgan Products Ltd	696	11.9	def
Standex International	697	11.9	16.1
National Fuel Gas	698	11.8	11.1
NWNL	699	11.8	10.5
Hawaiian Electric	700	11.8	9.6
St Joe Paper	701	11.8a	7.3
Scientific-Atlanta	702	11.7	15.0
American General	703	11.6	11.3
Baxter International	704	11.6	def
Shoney's	705	11.6	NE
Huffy	706	11.6	19.0
FirstFed Michigan	707	11.6	7.2
Carlisle Cos	708	11.5	10.5
NY State E&G	709	11.4	12.0
Caterpillar	710	11.4	6.8
Commonwealth Ed	711	11.4	def
Mine Safety Appliance	712	11.4	11.8
Lincoln National	713	11.4	9.9
Atlanta Gas Light	714	11.4	10.4
Cyprus Minerals	715	11.4	10.2
Fleming Cos	716	11.3	12.3
Trinity Industries	717	11.3	9.7
Bethlehem Steel	718	11.3	4.5
Weyerhaeuser	719	11.2	4.8
Central Maine Power	720	11.2	11.3
Magma Copper	721	11.2b	19.5
Pacific Enterprises	722	11.2	def
Ameritrust	723	11.2	0.7
Rohr Industries	724	11.2	3.8
Union Pacific	725	11.1	15.5
UNUM	726	11.1b	14.9
Emerson Radio	727	11.1	def
Liberty Corp	728	11.1	13.2
Enron	729	11.0	14.9
Salomon	730	11.0	10.6
Kansas City P&L	731	11.0	12.4
DQE	732	11.0	11.6
ITT	733	11.0	13.7
Witco	734	11.0	5.4
CalFed	735	10.9	def
Intl Multifoods	736	10.9	8.5
Outboard Marine	737	10.9	def
Equitable Resources	738	10.9	9.8
Pittway	739	10.9a	7.5
Rochester G&E	740	10.8	10.0
Silicon Graphics	741	10.8	16.9
Borden	742	10.7	21.9
PS Group	743	10.7	def
First Chicago	744	10.6	12.5
American Greetings	745	10.6	12.4
MCA	746	10.6	10.6
USF&G	747	10.6	6.7
Tenneco	748	10.5	19.1
American Water Works	749	10.5	8.0
Carl Karcher	750	10.5	8.6
Norfolk Southern	751	10.4	11.7
Sears, Roebuck	752	10.4	8.2
Southwest Airlines	753	10.4	10.3
Holnam	754	10.4	def
Boatmen's Bancshares	755	10.4	12.3
Fred Meyer	756	10.4	def
Echlin	757	10.4	7.4
Campbell Soup	758	10.4	1.6
DWG	759	10.4	def
Beneficial Corp	760	10.3	15.8
Costco Wholesale	761	10.3	17.9
American Building	762	10.3	13.6
National Education	763	10.3	def
Federal Express	764	10.3	8.1
Airborne Freight	765	10.3	18.7
Diebold	766	10.3	7.6
Springs Industries	767	10.3	0.3
Jefferson-Pilot	768	10.3	10.9
Federal-Mogul	769	10.1	4.2
Ameron	770	10.1	9.6
Interlake	771	10.1	NE
American Petrofina	772	10.1	9.1
Skyline	773	10.1	6.1
Ryder System	774	10.1	5.8
Xerox	775	10.1	2.2
CMS Energy	776	10.1	11.2
Equitable of Iowa	777	10.0	8.4
Analog Devices	778	10.0	3.2
Bearings	779	10.0	6.9
Southeast Banking	780	10.0	def
BF Goodrich	781	9.9	11.9
Big B	782	9.9	def
Bank of New York	783	9.9	13.5
Riggs National	784	9.8	2.8
Hexcel	785	9.8	0.3
Hughes Supply	786	9.7	4.8

NA: Not available. NE: Negative equity. def: Deficit. a: Four-year average. b: Three-year average.

WHO'S WHERE IN PROFITABILITY

		—Return on equity—	
Company	rank	5-year average %	latest 12 mos %
Greyhound Dial	787	9.7	1.4
Independent Insurance	788	9.7	8.7
Standard Motor Prods	789	9.6	4.6
Owens & Minor	790	9.6	7.9
Cigna	791	9.6	7.2
Aztar	792	9.6	26.1
New England Electric	793	9.6	22.5
Consol Freightways	794	9.6	def
Bank of Boston	795	9.6	def
Central Hudson G&E	796	9.5	11.0
Montana Power	797	9.5	9.4
First Mississippi	798	9.5	4.0
Highland Superstores	799	9.5	def
Detroit Edison	800	9.4	19.2
General Signal	801	9.4	5.3
Amerada Hess	802	9.4	12.4
Time Warner	803	9.4	def
Foodarama Supermkts	804	9.3	8.0
Eastern Enterprises	805	9.2	12.9
Dollar General	806	9.1	10.8
MA Hanna	807	9.1	9.8
WR Grace	808	9.0	12.2
MAI Systems	809	9.0a	0.9
USLife	810	9.0	7.5
Culbro	811	9.0	3.8
Petrie Stores	812	9.0	3.7
Goulds Pumps	813	8.9	0.9
Brown Group	814	8.8	10.2
Crown Central Pet	815	8.8	7.0
Rose's Stores	816	8.7	3.4
Hartmarx	817	8.6	def
Medco Containment	818	8.6	3.1
Sundstrand	819	8.6	19.4
UNC	820	8.6	def
American Tel & Tel	821	8.6	21.3
Inland Steel Inds	822	8.6	1.5
American Natl Ins	823	8.6	5.8
Tonka	824	8.5	def
Orion Capital	825	8.5	15.0
Questar	826	8.4	10.5
SPS Technologies	827	8.4	0.6
Unocal	828	8.4	14.6
AH Belo	829	8.4	10.8
Diversified Energies	830	8.4	3.6
Imo Industries	831	8.4	7.9
CSX	832	8.3	12.3
First Security	833	8.2	10.8
Commercial Intertech	834	8.2	6.5
McDonnell Douglas	835	8.2	11.1
Chevron	836	8.1	4.1
Bindley Western Inds	837	8.1	9.1
First Fidelity Bncp	838	8.0	def
Jamesway	839	8.0	def
Grumman	840	8.0	9.7
Pacific G&E	841	7.9	10.5
CRSS	842	7.9	14.6
Harsco	843	7.9	12.4
Bassett Furniture Inds	844	7.9	3.8
Centerior Energy	845	7.8	7.8
Alexander's	846	7.8	def
Nipsco Industries	847	7.7	7.3
Honeywell	848	7.7	34.1
Fremont General	849	7.7	17.5
Kansas Gas & Elec	850	7.6	9.4
Republic New York	851	7.6	20.2
Texaco	852	7.6	14.4
Media General	853	7.6	8.2
First American Corp	854	7.6	def
Dairy Mart	855	7.6	8.1
Butler Manufacturing	856	7.5	16.0
USX	857	7.5	14.4
Tucson Electric	858	7.5	def
Oneok	859	7.4	10.0
Polaroid	860	7.4	15.8
Crystal Brands	861	7.4a	8.9
Arvin Industries	862	7.4	5.3
Shawmut National	863	7.3	def
Merrill Lynch	864	7.3	def
Home Shopping	865	7.3b	22.4
Talman Home Federal	866	7.2b	4.7
Travelers	867	7.2	def
Citicorp	868	7.1	def
Carolina Freight	869	7.1	def
Armco	870	7.0	def
DSC Communications	871	7.0	12.0
US Shoe	872	7.0	11.1
Foremost Corp of Amer	873	6.9	def
Penn Central	874	6.9	5.7
Wyle Laboratories	875	6.9	12.6
Continental Corp	876	6.8	6.8
Talley Industries	877	6.8	5.4
American Bankers	878	6.8	13.6
Columbia Gas System	879	6.8	7.2
Boston Edison	880	6.8	def
Deere & Co	881	6.7	15.8
Acme Steel	882	6.7	3.3
Varity	883	6.7	21.6
Niagara Mohawk Power	884	6.7	8.0
American President	885	6.6	def
Carpenter Technology	886	6.5	13.9
Noland	887	6.5	5.0
Avnet	888	6.4	7.7
PaineWebber Group	889	6.4	3.3
Black & Decker	890	6.3	11.3
Lifetime	891	6.2	14.3
Dresser Industries	892	6.1	10.6
Schlumberger	893	6.0	17.9
Harcourt Brace	894	6.0	NE
Bally Manufacturing	895	6.0	def
Bell Industries	896	6.0	8.0
Harris Corp	897	6.0	12.0
Commercial Federal	898	6.0a	def
USAir Group	899	5.9	def
Fluor	900	5.9	18.5
Cabot	901	5.9	12.8
Coca-Cola Enterprises	902	5.9b	5.2
Harnischfeger Inds	903	5.8	13.0
Perini	904	5.7	3.4
Kroger	905	5.7	NE
Foster Wheeler	906	5.7	7.9
Fieldcrest Cannon	907	5.6	def
Imcera Group	908	5.4	8.3
Dart Group	909	5.3	4.2
Interco	910	5.3	NE
Kerr-McGee	911	5.2	8.6
Wendy's Intl	912	5.2	8.5
Varian Associates	913	5.1	def
Child World	914	5.1	0.1
Universal Health	915	5.1	7.4
Portland General	916	5.0	0.2
Winnebago Industries	917	4.9	def
Newmont Mining	918	4.9	NE
AO Smith	919	4.9	3.0
Westmark Intl	920	4.9b	6.6
Briggs & Stratton	921	4.8	14.9
Handy & Harman	922	4.7	6.6
Monarch Capital	923	4.7	def
Orion Pictures	924	4.5	3.9
General Host	925	4.5	2.5
Sonat	926	4.3	7.4
FMC	927	4.3	NE
Thorn Apple Valley	928	4.3	def
Occidental Petroleum	929	4.2	5.0
Oxford Industries	930	4.2	5.1
Lionel	931	4.2	def
Gulf States Utils	932	4.2	def
Std Commercial	933	4.1	3.8
Sun Company	934	4.0	1.1
Williams Cos	935	3.8	3.6
Adolph Coors	936	3.8	3.4
KN Energy	937	3.8	12.5
Perkin-Elmer	938	3.6	7.8
Salant	939	3.6	def
United Banks of Colo	940	3.6	def
Mercantile Bancorp	941	3.5	12.6
Healthco Intl	942	3.4	def
Service Corp Intl	943	3.4	def
GM Hughes Electronics	944	3.4a	2.0
Weirton Steel	945	3.3	6.1
Engelhard	946	3.2	def
Tektronix	947	3.2	def
Grossman's	948	3.1	5.8
Quaker State	949	3.1	5.7
BankAmerica	950	3.1	14.7
Homestead Financial	951	3.0	def
Long Island Lighting	952	3.0	9.6
Mitchell Energy	953	2.9	5.1
Clark Equipment	954	2.9	11.3
Entergy	955	2.9	10.2
Texas Industries	956	2.9	6.1
CBI Industries	957	2.8	10.0
Preston	958	2.8	def
Timken	959	2.5	4.0
American Maize	960	2.5	1.8
Public Service NM	961	2.4	0.7
Arkla	962	2.4	15.9
Allen Group	963	2.3	11.0
Coast Savings Finl	964	2.2a	def
Illinois Power	965	2.1	2.1
JP Morgan & Co	966	1.9	17.6
United HealthCare	967	1.8	40.0
Volt Info Sciences	968	1.6	1.7
Navistar Intl	969	1.6	def

NA: Not available. NE: Negative equity. def: Deficit. a: Four-year average. b: Three-year average.

		—Return on equity—	
Company	rank	5-year average %	latest 12 mos %
AM International	970	1.4	def
Transco Energy	971	1.3	6.5
Halliburton	972	1.3	8.8
Owens-Corning	973	1.2	NE
Northrop	974	1.1	15.3
Valero Energy	974	1.1	12.0
Kansas City Southern	976	1.1	13.9
M/A-Com	977	1.1	def
TCF Financial	978	1.1[b]	def
DeSoto	979	1.0	6.6
LSI Logic	980	1.0	3.3
Unisys	981	1.0	def
Coachmen Industries	982	0.9	def
Turner Corp	983	0.9	13.1
Chase Manhattan	984	0.7	def
Multimedia	985	0.6	NE
Louisiana Land	986	0.5	8.7
Wyman-Gordon	987	0.5	def
Great American Mgmt	988	0.5	21.0
Washington National	989	0.4	0.8
Wholesale Club	990	0.3	18.9
Douglas & Lomason	991	0.2	7.2
Murphy Oil	992	0.2	13.6
Broad	993	0.2[a]	9.0
Teradyne	994	0.1	def
Nortek	995	0.1	def
Bankers Trust NY	996	def	28.8
United Illuminating	997	def	12.1
Westmoreland Coal	998	def	9.7
Harken Energy	999	def	def
Cincinnati Milacron	1000	def	2.9
Grow Group	1001	def	def
Itel	1002	def	2.7
Chemical Banking	1003	def	9.5
Inspiration Resource	1004	def	0.8
Hadson	1005	def	def
Dime Savings Bank FSB	1006	def[b]	def
Kerr Glass Mfg	1007	def	def
Pittston	1008	def	3.1
National Intergroup	1009	def	def
Manufacturers Hanover	1010	def	9.9
El Paso Electric	1011	def	def
Tele-Communications	1012	def	def
Advanced Micro	1013	def	def
Intermark	1014	def	def
Avondale Industries	1015	def[a]	def
Natl Semiconductor	1016	def	def
Atari	1017	def	6.0
Natl Convenience	1018	def	def
First Bank System	1019	def	def
Enstar Group	1020	def	2.6
Valley National	1021	def	def
Allied Products	1022	def	def
First Interstate Bncp	1023	def	def
Pinnacle West	1024	def	def
Continental Bank	1025	def	def
Midway Airlines	1026	def	def
Enserch	1027	def	9.9
Great American Bank	1028	def	def
Cummins Engine	1029	def	def
Ampco-Pittsburgh	1030	def	6.0
Panhandle Eastern	1031	def	4.8
Arrow Electronics	1032	def	4.4
Morrison Knudsen	1033	def	13.2
Egghead	1034	def	5.7
National-Standard	1035	def	def
Finevest Foods	1036	def[b]	def
Perry Drug Stores	1037	def	11.3
Baker Hughes	1038	def	13.1
Guy F Atkinson	1039	def	def
Zenith Electronics	1040	def	def
Instrument Systems	1041	def	19.3
Balfour Maclaine	1042	def[b]	def
Mellon Bank	1043	def	14.9
Wang Laboratories	1044	def	def
Avon Products	1045	def	21.2
Petroleum Heat & Pwr	1046	def	NE
Lone Star Industries	1047	def	def
Beverly Enterprises	1048	def	2.9
Ames Dept Stores	1049	def	def
Data General	1050	def	def
US Home	1051	def	def
Wheeling-Pittsburgh	1052	def	NE
ERLY Industries	1053	def	21.3
HH Robertson	1054	def	def
Dravo	1055	def	13.0
Santa Fe Pacific	1056	def	def
McDermott Intl	1057	def	def
Bank of New England	1058	def	def
CrossLand Savings FSB	1059	def[a]	def
Pennzoil	1060	def	def
Sprague Technologies	1061	def	def
Cross & Trecker	1062	def	def
Horn & Hardart	1063	def	def
Public Service NH	1064	def	def
AMC Entertainment	1065	def	def
UA Entertainment	1066	def	def
America West Airlines	1067	def	def
American Capital	1068	def	def
First Executive	1069	def	def
Premier Bancorp	1070	def	4.4
MLX	1071	def	def
Anacomp	1072	def	NE
Tesoro Petroleum	1073	def	10.1
MDC Holdings	1074	def	def
Landmark Land	1075	def	def
Smith International	1076	def	2.5
Meritor Savings Bank	1077	def	def
Datapoint	1078	def	def
Northeast Federal	1079	def	def
Control Data	1080	def	def
Comcast	1081	def	def
Cablevision Systems	1082	def	NE
ADVO-System	1083	def	26.9
Lone Star Tech	1084	def	def
United Merchants	1085	def	def
AmeriFirst Bank	1086	def[b]	def
Columbia S&L Assn	1087	def	def
ICH	1088	def[b]	def
McCaw Cellular	1089	def	41.3
TIE/communications	1090	def	def
Eagle-Picher Inds	1091	def	NE
Pathe Communications	1092	def[b]	103.2
Continental Airlines	1093	def	NE
LVI Group	1094	def	def
LTV	1095	def	NE
Storage Technology	1096	def	15.5
Turner Broadcasting	1097	def	NE
Savin	1098	def	def
Maxus Energy	1099	def[b]	NE
Western Union	1100	def	NE
Pan Am	1101	def	NE
Communications Trans	1102	def[b]	NE
Air & Water Tech		NA	def
Alleghany		NA	11.0
Allergan		NA	9.6
American Cap & Res		NA	17.4
American Medical		NA	def
Anchor Savings Bank		NA	def
Baroid		NA	NA
Burlington Resources		NA	7.1
Carter Hawley Hale		NA	NE
Consolidated Rail		NA	3.7
Cyclops Industries		NA	def
Eagle Food Centers		NA	14.5
Eljer Industries		NA	6.1
ESCO Electronics		NA	0.7
First Brands		NA	29.9
First City Bncp Texas		NA	2.4
Foundation Health		NA	NE
Gaylord Container		NA	def
Genlyte Group		NA	20.3
Goldome		NA	34.6
Henley Group		NA	def
Hillhaven		NA	0.0
IBP		NA	10.0
Illinois Central		NA	NA
IMC Fertilizer Group		NA	10.8
Lyondell Petrochem		NA	500.0+
Manville		NA	17.6
Neiman Marcus Group		NA	1.5
NL Industries		NA	78.0
Oryx Energy		NA	6.0
Penn Traffic		NA	def
People's Bank		NA	def
Promus Cos		NA	0.0
Rexene		NA	NE
Richfood Holding		NA	13.7
Riser Foods		NA	23.5
Charles Schwab		NA	11.8
Smith Corona		NA	NA
Sterling Chemicals		NA	54.3
TJX Cos		NA	31.8
Tredegar Industries		NA	0.0
TW Holdings		NA	0.0
Unitrin		NA	6.1
Viacom		NA	def
Vons Cos		NA	18.3
Waban		NA	8.2
Wheelabrator Tech		NA	8.0
Whitman		NA	def

NA: Not available. NE: Negative equity. def: Deficit. a: Four-year average. b: Three-year average.

WHO'S WHERE IN

THE INDUSTRY GROUPS

In the latest 12 months only three industries—energy, construction and capital goods—beat their five-year average return on equity.

By Robert C. Balancia

THE FOOD, DRINK AND TOBACCO industry was the most profitable during the last five years, with an average return on equity of 18.7%. Although latest 12-month returns slipped somewhat to 16.8%, the category still beat the other 19 industry groups over this period. Health, last year's industry leader in long-term profitability, saw its five-year return on equity remain basically flat.

Five-year return on equity for forest products and packaging companies, ranked fourth, rose from 15.2% to 16.6%. The median five-year earnings-per-share growth rate for forest products was more than three times the all-industry median rate of 6.9%.

Construction shows the lowest five-year average return on equity, 8.8%. Residential housing construction began to slump in July 1988. Meanwhile, high commercial vacancy rates are hurting companies that put up office buildings and shopping malls. Latest 12-month results for the construction group, 10%, are below our all-industry median five-year return on equity of 12.1%.

Sales growth hasn't always translated into profit growth. The travel group has the best five-year sales growth rate, 13.9%, compared with 11.3% for the 20 industries in this survey. But travel, chiefly because of the airlines' problems, had a low return on equity last year, 6.9%. ■

	Profitability					**Growth**						**Sales**	**Net income**	**Profit margin**
	Return on equity			**Return on capital latest 12 mos %**	**Debt/ capital %**	**Sales**			**Earnings per share**					
Industry (number of companies)	**rank**	**5-year average %**	**latest 12 mos %**			**rank**	**5-year average %**	**latest 12 mos %**	**rank**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Food, drink & tobacco (64)	1	**18.7**	**16.8**	**11.8**	**31.6**	10	**11.4**	**7.1**	2	**14.4**	**8.6**	**2,490**	**64**	**2.9**
Food processors (38)		20.0	18.4	12.8	26.5		10.5	7.3		14.4	7.3	2,115	64	4.0
Food distributors (12)		15.7	16.0	9.5	39.6		15.9	4.8		9.0	8.6	3,007	19	0.8
Beverages (7)		22.8	15.4	11.9	26.5		11.0	10.8		17.7	9.0	4,672	708	8.0
Tobacco (7)		17.6	15.9	10.1	32.4		14.3	11.3		8.5	26.1	986	37	1.6
Health (45)	2	**17.7**	**15.9**	**13.6**	**21.7**	3	**13.3**	**13.2**	4	**13.4**	**15.7**	**1,886**	**46**	**4.6**
Drugs (18)		20.6	17.5	16.9	13.9		11.9	13.1		13.8	10.2	3,871	380	10.1
Health care services (14)		14.5	20.4	15.1	44.2		13.8	16.2		NM	54.2	1,020	23	2.6
Medical supplies (13)		15.5	12.9	11.3	21.7		16.3	12.9		18.6	6.7	1,180	42	5.4
Business services & supplies (44)	3	**17.3**	**13.6**	**10.1**	**32.7**	2	**13.6**	**6.9**	8	**11.4**	**−13.0**	**676**	**28**	**3.8**
Business services (10)		16.8	15.5	11.4	32.5		17.9	8.3		NM	−15.3	596	13	1.7
Business supplies (22)		16.3	11.8	9.8	25.6		11.7	4.4		9.3	−18.7	796	35	4.5
Industrial services (12)		20.6	14.9	10.3	44.8		20.0	12.7		23.6	−8.7	1,137	33	2.8
Forest products & packaging (32)	4	**16.6**	**11.2**	**8.2**	**34.5**	11	**11.2**	**2.7**	1	**23.3**	**−24.8**	**1,379**	**103**	**4.2**
Paper & lumber (21)		16.8	11.4	8.2	35.2		13.3	2.7		28.4	−24.8	1,921	148	5.9
Packaging (11)		15.9	11.2	8.2	34.1		8.0	3.4		18.8	−27.5	1,094	50	3.5
Chemicals (50)	5	**16.5**	**15.3**	**11.8**	**31.4**	16	**10.4**	**4.9**	3	**13.9**	**−0.4**	**1,266**	**68**	**6.1**
Diversified (15)		14.6	14.6	10.7	25.0		5.9	2.8		17.6	−3.4	2,770	149	4.5
Specialized (35)		16.8	18.3	12.8	31.5		11.3	5.7		12.6	9.9	1,003	66	7.6
Consumer nondurables (49)	6	**16.4**	**15.8**	**11.9**	**37.2**	9	**11.9**	**9.1**	6	**12.3**	**−3.3**	**879**	**50**	**4.2**
Personal products (18)		19.1	19.3	14.4	22.9		10.4	10.7		17.4	3.1	1,310	51	6.0
Apparel & shoes (15)		22.5	17.9	13.0	37.2		12.2	11.5		16.1	2.0	830	50	5.1
Textiles (9)		13.4	3.5	4.9	54.3		21.4	−5.3		8.3	−84.3	531	4	0.8
Photography & toys (7)		13.4	9.4	7.8	29.1		11.0	1.5		NM	36.2	1,444	85	3.2

D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NM: Not meaningful. For further explanation, see page 95.

	Profitability					**Growth**						**Sales**	**Net income**	**Profit margin**
	Return on equity					Sales			Earnings per share					
Industry (number of companies)	rank	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/ capital %	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Entertainment & information (49)	7	**16.4**	**12.0**	**10.1**	**29.6**	8	**12.1**	**5.3**	11	**6.8**	**–0.9**	**1,297**	**32**	**4.9**
Broadcasting & cable (8)		def	def	5.2	85.1		37.9	12.0		NM	P-D	1,442	–21	–1.4
Movies (12)		14.3	11.3	7.1	44.2		18.0	7.7		13.2	–36.0	1,088	13	2.1
Publishing (26)		20.4	12.5	11.3	27.0		9.7	3.8		7.7	–0.6	1,318	47	5.8
Advertising (3)		14.5	22.3	15.2	2.8		11.1	9.7		NM	14.1	655	16	3.3
Retailing (119)	8	**15.2**	**12.6**	**10.4**	**34.2**	4	**12.9**	**10.1**	9	**9.7**	**7.3**	**1,078**	**24**	**1.8**
Department stores (10)		15.2	10.3	8.6	41.3		6.5	4.5		11.7	4.1	2,607	81	3.3
Apparel (14)		20.2	13.8	11.2	23.9		14.6	10.7		13.1	6.9	1,569	49	3.4
Drug & discount (23)		13.3	10.8	8.0	37.7		14.8	12.4		NM	–14.6	937	9	1.0
Specialty (37)		15.0	12.7	11.1	28.1		19.4	19.4		8.7	10.0	911	25	1.8
Supermarkets & convenience (28)		16.0	13.9	9.7	45.6		11.0	6.4		16.4	11.7	1,345	13	1.2
Restaurant chains (7)		14.9	11.8	10.5	26.5		12.4	8.6		10.1	0.0	912	28	3.6
Insurance (65)	9	**14.8**	**12.1**	**9.5**	**18.8**	6	**12.5**	**4.8**	7	**11.9**	**0.4**	**1,371**	**91**	**5.7**
Diversified (25)		15.3	11.3	9.2	16.7		13.0	7.5		10.4	–1.0	2,914	235	6.0
Life & health (18)		11.1	10.7	8.4	25.8		9.7	3.0		5.2	3.1	1,097	51	5.2
Property & casualty (22)		18.0	13.9	10.5	18.3		14.1	2.8		15.9	4.5	1,366	80	5.8
Computers & communications (96)	10	**14.7**	**12.8**	**9.6**	**23.7**	5	**12.6**	**7.3**	14	**–1.6**	**7.0**	**1,217**	**60**	**5.5**
Hardware (66)		13.8	10.9	10.1	18.1		12.6	7.2		NM	6.3	1,048	26	3.6
Software (9)		30.4	20.8	18.8	14.9		45.0	18.1		35.8	18.8	1,276	84	12.5
Telecommunications (21)		14.4	13.8	8.4	35.2		5.9	6.6		4.3	2.1	7,387	339	8.4
Consumer durables (58)	11	**14.4**	**9.2**	**8.1**	**34.2**	15	**10.4**	**4.0**	16	**–4.5**	**–25.2**	**970**	**24**	**2.3**
Automobiles & trucks (7)		18.6	1.4	5.5	42.7		10.5	–2.7		NM	P-D	3,894	50	0.4
Automotive parts (26)		14.9	8.8	8.4	32.5		8.7	4.1		3.7	–12.1	936	25	3.0
Appliances (7)		12.7	12.3	8.5	40.4		13.9	13.1		–8.6	–24.7	926	27	2.2
Home furnishings (12)		15.6	10.6	8.6	32.4		15.0	2.9		5.8	–23.2	840	22	3.0
Recreation equipment (6)		7.9	5.0	3.6	19.6		8.2	–2.2		NM	P-D	686	8	1.3
Aerospace & defense (34)	12	**14.1**	**13.0**	**8.9**	**34.5**	18	**7.7**	**3.5**	10	**6.9**	**–2.8**	**2,825**	**84**	**3.0**
Financial services (119)	13	**13.0**	**10.4**	**7.7**	**30.9**	7	**12.1**	**6.5**	13	**4.7**	**–10.0**	**1,454**	**60**	**4.6**
Multinational banks (10)		1.3	9.7	7.1	44.1		7.9	1.6		NM	D-P	7,858	292	3.7
Regional banks (63)		14.8	12.5	10.8	21.9		13.2	7.3		8.2	–5.7	1,454	88	7.1
Thrift institutions (26)		3.0	def	def	46.3		10.4	–5.7		NM	P-D	927	–36	–4.7
Brokerage & commodity (9)		12.1	10.9	9.4	39.1		13.6	9.3		NM	–7.7	2,367	46	3.5
Lease & finance (11)		20.1	15.8	7.5	64.5		16.7	11.1		13.3	3.1	3,533	130	6.1
Electric utilities (80)	14	**12.9**	**11.7**	**7.0**	**40.2**	19	**2.5**	**4.7**	15	**–4.5**	**3.5**	**1,428**	**129**	**10.5**
Northeast (24)		12.3	11.9	6.9	43.1		2.1	6.8		–6.2	–1.9	1,443	174	9.1
North central (26)		13.3	11.9	7.5	39.9		1.9	2.7		1.3	8.3	1,077	105	11.0
Southeast (10)		13.8	13.0	7.5	36.6		6.2	3.0		4.0	–6.3	2,279	172	12.5
South central (8)		13.2	12.2	7.0	40.7		0.4	5.8		NM	18.6	2,176	246	11.1
Western (12)		10.7	10.0	7.1	42.0		5.8	3.4		NM	–6.3	1,261	98	9.3
Capital goods (56)	15	**12.6**	**12.9**	**9.7**	**26.9**	13	**10.8**	**6.6**	12	**4.8**	**4.8**	**1,225**	**34**	**4.0**
Electrical equipment (15)		17.2	19.5	12.7	25.3		10.1	7.0		10.2	5.2	1,165	85	6.5
Heavy equipment (41)		11.9	12.0	9.5	27.3		11.9	5.6		–8.6	2.5	1,285	32	3.7
Materials (61)	16	**11.9**	**9.6**	**9.0**	**29.8**	12	**10.9**	**–2.1**	17	**NM**	**–31.6**	**1,044**	**43**	**3.1**
Steel (22)		8.6	7.2	7.5	27.7		9.0	–7.3		NM	–34.3	888	23	2.8
Nonferrous metals (14)		15.9	11.2	11.5	28.9		13.0	–2.7		NM	–36.2	2,513	208	6.9
Cement & gypsum (7)		15.5	7.8	9.3	35.3		12.7	–7.3		–23.7	–38.2	567	20	4.0
Other materials (18)		9.9	7.8	7.6	40.9		9.1	4.4		–4.3	–20.8	559	10	2.2
Travel (17)	17	**11.3**	**6.9**	**5.5**	**51.3**	1	**13.9**	**9.8**	17	**NM**	**–52.0**	**1,248**	**47**	**2.0**
Airlines (10)		8.2	def	2.5	42.2		18.1	11.0		NM	–79.8	5,157	6	0.0
Hotels & gaming (7)		20.9	18.5	12.1	53.3		8.8	6.3		30.8	–4.1	992	79	11.7
Transport (21)	18	**10.3**	**9.9**	**6.3**	**32.4**	17	**7.9**	**6.6**	17	**NM**	**–31.6**	**2,227**	**34**	**2.7**
Railroads (8)		9.4	12.3	7.2	35.1		–2.0	2.0		NM	4.1	3,978	178	7.1
Trucking & shipping (9)		9.6	def	0.6	27.2		12.3	8.2		–12.0	P-D	740	–2	–0.3
Air freight (4)		10.3	13.4	8.8	32.1		15.9	16.6		NM	18.5	1,446	24	1.9
Energy (79)	19	**9.3**	**10.0**	**7.2**	**37.6**	20	**–6.6**	**9.2**	17	**NM**	**–2.5**	**1,659**	**63**	**4.0**
Major oils (5)		12.1	12.4	8.5	22.7		–7.[illegible]	17.9		–3.8	–7.7	34,832	1,694	3.9
Other oil & gas (31)		8.6	8.9	7.0	44.2		–9.5	12.4		NM	–21.1	1,902	69	2.7
Oilfield services (6)		1.3	10.6	10.3	22.3		–15.5	13.8		NM	65.2	3,405	156	3.7
Gas producers & pipeliners (8)		3.8	6.8	5.9	47.0		–7.6	11.9		NM	74.8	2,505	78	2.5
Gas distributors (15)		13.7	11.5	7.5	37.1		–5.1	1.5		NM	–13.4	849	46	5.8
Integrated gas (10)		7.9	10.0	7.0	35.9		–5.8	7.0		–15.4	–0.7	1,620	52	5.1
Coal & other (4)		5.5	10.0	8.6	19.9		9.9	5.5		NM	D-P	1,573	33	3.1
Construction (21)	20	**8.8**	**10.0**	**7.0**	**48.3**	14	**10.7**	**–2.0**	5	**12.7**	**–16.8**	**882**	**14**	**1.9**
Commercial builders (14)		5.9	11.6	7.7	33.1		10.0	5.0		–18.4	14.2	948	13	1.8
Residential builders (7)		12.2	7.4	6.1	61.6		21.7	–8.1		18.3	–38.7	621	19	2.6
All-industry medians		**14.6**	**12.1**	**9.2**	**32.6**		**11.3**	**6.6**		**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NM: Not meaningful. For further explanation, see page 95.

WHO'S WHERE IN

THIS ISSUE

The following alphabetic summary lists the 1,177 corporations tracked in our industry survey. The table shows how each company was ranked on five-year earnings growth, stock market performance and profitability. The last column gives the page number of the firm's industry report.

RANK

Company	Growth	Stock market	Profitability	Page
AAR Corp	143	644	486	96
Abbott Laboratories	258	93	57	172
Acme Steel	NM	375	882	180
Adia Services	165	323	307	100
Advanced Micro	NM	1038	1013	118
ADVO-System	NM	296	1083	154
Aetna Life & Cas	109	801	663	176
Affiliated Pubs	381	**	60	154
HF Ahmanson	333	696	579	156
Air & Water Tech	**	**	**	100
Air Express Intl	167	175	87	188
Air Prods & Chems	378	283	510	112
Airborne Freight	NM	220	765	188
Alaska Air Group	NM	589	670	190
Albany International	75	761	115	170
Alberto-Culver	30	38	340	138
Albertson's	231	20	174	184
Alcan Aluminium	25	384	430	180
Alco Standard	185	238	237	100
Alexander & Alexander	433	809	458	176
Alexander & Baldwin	147	358	98	188
Alexander's	182	836	846	184
Alleghany	**	439	**	176
Allegheny Ludlum	**	396	5	180
Allegheny Power	601	537	557	142
Allen Group	NM	863	963	130
Allergan	**	**	**	172
Allied Products	NM	1032	1022	108
Allied-Signal	NM	870	610	96, 130
Alltel	396	104	365	118
Alcoa	23	389	489	180
ALZA	**	**	**	172
AM International	NM	989	970	100
AMAX	NM	401	220	180
AMC Entertainment	NM	974	1065	154
Amdahl	64	210	283	118
Amerada Hess	NM	217	802	148
America West Airlines	NM	842	1067	190
American Bankers	622	861	878	176
American Brands	345	114	204	164
American Building	NM	513	762	100
American Capital	NM	1076	1068	156
American Cap & Res	19	**	**	100
American Cyanamid	340	236	543	112
American Electric	549	489	551	142

RANK

Company	Growth	Stock market	Profitability	Page
American Express	432	713	202	156
American Family	412	352	270	176
American General	594	711	703	176
American Greetings	627	619	745	154
American Home Prods	62	292	12	172
American Intl Group	113	264	229	176
American Maize	NM	434	960	164
American Medical	**	**	**	172
American Natl Ins	688	759	823	176
American Petrofina	NM	230	772	148
American President	NM	805	885	188
American Stores	648	800	692	184
American Tel & Tel	260	400	821	118
American Water Works	599	654	749	142
AmeriFirst Bank	**	1068	1086	156
Ameritech	526	203	441	118
Ameritrust	464	827	723	156
Ameron	461	328	770	180
Ames Dept Stores	NM	1073	1049	184
Ametek	558	824	235	108
Amgen	**	**	**	172
Amoco	NM	262	632	148
AMP	304	502	248	118
Ampco-Pittsburgh	NM	944	1030	108
AMR	482	501	593	190
AmSouth Bancorp	593	765	537	156
Anacomp	NM	813	1072	100
Analog Devices	NM	987	778	118
Anchor Savings Bank	**	1010	**	156
Anheuser-Busch Cos	284	193	158	164
Aon	577	478	335	176
Apogee Enterprises	256	243	354	126
Apple Computer	43	40	46	118
Applied BioScience	**	**	**	172
Applied Biosystems	**	**	**	172
Applied Materials	NM	179	446	118
Applied Power	58	174	394	108
Archer Daniels	152	89	542	164
Arden Group	111	156	66	184
Argonaut Group	321	71	82	176
Arkla	NM	487	962	148
Armco	NM	933	870	180
Armstrong World Inds	302	581	323	180
Arrow Electronics	NM	1008	1032	118
Arvin Industries	684	778	862	130

Growth: 5-year annual earnings-per-share growth. **Stock market:** 5-year price change. **Profitability:** 5-year return on equity. **NM:** Not meaningful. **Not ranked.

RANK

Company	Growth	Stock market	Profitability	Page
Asarco	NM	407	439	180
Ashland Oil	NM	308	558	148
AST Research	NM	718	338	118
Atari	NM	994	1017	118
Guy F Atkinson	NM	904	1039	126
Atlanta Gas Light	NM	278	714	148
Atlantic Energy	529	488	554	142
Atlantic Richfield	65	158	153	148
Automatic Data	245	208	268	118
Avery Dennison	220	623	602	100
Avnet	NM	780	888	118
Avon Products	NM	601	1045	138
Avondale Industries	NM	**	1015	188
Aztar	47	951	792	190
Baker Hughes	NM	168	1038	148
Balfour Maclaine	NM	1035	1042	156
Ball Corp	638	668	691	170
Bally Manufacturing	NM	1024	895	190
Baltimore G&E	583	529	493	142
Banc One	392	416	353	156
Bancorp Hawaii	277	166	280	156
Bandag	253	75	30	130
Bank of Boston	663	965	795	156
Bank of New England	NM	1065	1058	156
Bank of New York	NM	882	783	156
BankAmerica	NM	315	950	156
Bankers Trust NY	NM	608	996	156
Banta	492	562	371	154
CR Bard	271	313	181	172
Barnes Group	NM	662	657	130
Barnett Banks	427	782	370	156
Baroid	**	**	**	148
Bassett Furniture Ind	639	752	844	130
Bausch & Lomb	311	181	329	172
Baxter International	104	258	704	172
BayBanks	504	900	490	156
Bear Stearns Cos	368	754	263	156
Bearings	274	650	779	108
Beckman Instruments	**	**	555	172
Becton Dickinson	148	109	287	172
Bell Atlantic	588	161	568	118
Bell Industries	NM	837	896	118
BellSouth	575	279	532	118
AH Belo	672	551	829	154
Bemis	200	101	410	170
Beneficial Corp	NM	685	760	156
Bergen Brunswig	334	339	438	172
WR Berkley	85	342	172	176
Berkshire Hathaway	326	83	536	176
Best Buy Co	NM	854	372	184
Bethlehem Steel	NM	732	718	180
Betz Laboratories	473	144	189	112
Beverly Enterprises	NM	935	1048	172
Big B	NM	918	782	184
Bindley Western Inds	649	517	837	172
Birmingham Steel	38	347	63	180
Black & Decker	NM	911	890	130
Blair	393	587	85	184
H&R Block	346	123	132	156
Block Drug	391	200	445	138

RANK

Company	Growth	Stock market	Profitability	Page
Blockbuster	NM	1	92	184
Blount	160	885	320	126
Boatmen's Bancshares	NM	719	755	156
Bob Evans Farms	375	610	347	184
Bueing	609	160	662	96
Boise Cascade	86	667	530	170
Borden	NM	241	742	164
Boston Edison	NM	714	880	142
Bowater	385	755	384	170
Briggs & Stratton	NM	702	921	130
Bristol-Myers Squibb	NM	189	225	172
Broad	NM	**	993	176
Brooklyn Union Gas	NM	403	615	148
Brown-Forman	257	134	171	164
Brown Group	667	819	814	184
Browning-Ferris Inds	208	353	143	100
Bruno's	308	255	241	184
Brunswick	NM	739	637	138
Burlington Coat	495	763	509	184
Burlington Northern	662	**	231	188
Burlington Resources	**	**	**	148
Businessland	NM	1019	508	184
Butler Manufacturing	142	906	856	126
Cablevision Systems	NM	784	1082	154
Cabot	703	554	901	112
Caesars World	122	693	118	190
CalFed	NM	1046	735	156
Calgene	**	**	**	172
CalMat	117	327	457	180
Cambridge Biotech	**	**	**	172
Campbell Soup	516	145	758	164
C&S/Sovran	398	701	322	156
Capital Cities/ABC	192	231	440	154
Capital Holding	246	535	240	176
Cardinal Distribution	248	86	406	172
Carl Karcher	NM	499	750	184
Carlisle Cos	NM	753	708	118
Carnival Cruise Lines	99	469	32	190
Carolina Freight	658	957	869	188
Carolina Power & Lt	NM	329	664	142
Carpenter Technology	NM	545	886	180
Carter Hawley Hale	NM	978	**	184
Carter-Wallace	249	155	408	138
Casey's General Store	252	858	390	184
AM Castle & Co	354	555	562	180
Castle & Cooke	89	92	485	164
Caterpillar	69	588	710	108
CBI Industries	46	178	957	126
CBS	204	363	35	154
CDI	180	500	117	100
Centel	207	125	133	118
Centerior Energy	651	740	845	142
Centex	481	645	668	126
Centocor	**	**	**	172
Central & So West	NM	291	571	142
Central Hudson G&E	666	768	796	142
Central Maine Power	NM	447	720	142
Central Newspapers	519	**	436	154
Central Steel & Wire	343	272	496	180
Cetus	**	**	**	172

Growth: 5-year annual earnings-per-share growth. **Stock market:** 5-year price change. **Profitability:** 5-year return on equity. **NM:** Not meaningful. **Not ranked.

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Company	Growth	Stock market	Profitability	Page
Champion Intl	110	622	635	170
Charming Shoppes	441	717	168	184
Charter	NM	257	64	148
Chase Manhattan	NM	980	984	156
Chemed	NM	844	215	112
Chemical Banking	NM	999	1003	156
Chesapeake	170	612	455	170
Chevron	691	221	836	148
Child World	NM	692	914	184
Chiquita Brands Intl	146	53	483	164
Chiron	**	**	**	172
Chrysler	678	875	294	130
Chubb	98	225	317	176
Cigna	637	856	791	176
CILcorp	572	446	599	142
Cincinnati Bell	303	39	373	118
Cincinnati Financial	342	390	405	176
Cincinnati G&E	469	399	350	142
Cincinnati Milacron	NM	884	1000	108
Cipsco	NM	556	680	142
Circle K	656	1063	597	184
Circuit City Stores	123	192	78	184
Circus Circus	140	52	48	190
Citicorp	657	874	868	156
Clark Equipment	NM	646	954	108
Clorox	467	354	276	138
CMS Energy	NM	32	776	142
CNA Financial	155	669	332	176
Coachmen Industries	NM	1000	982	130
Coast Savings Finl	NM	992	964	156
Coastal Corp	498	153	601	148
Coca-Cola	211	45	42	164
Coca-Cola Enterprises	462	606	902	164
Colgate-Palmolive	119	146	198	138
Collaborative Resrch	**	**	**	172
Collagen	**	**	**	172
Collins Foods Intl	451	605	497	184
Columbia Gas System	361	470	879	148
Columbia S&L Assn	NM	1078	1087	156
Comcast	NM	273	1081	154
Comdisco	NM	695	250	100
Comerica	370	421	526	156
Commerce Bcshs	353	366	585	156
Commerce Clearing	NM	659	112	154
Commercial Federal	NM	1018	898	156
Commercial Intertech	NM	575	834	108
Commercial Metals	166	382	618	156
Commonwealth Ed	644	514	711	142
Commonwealth Energy	619	570	630	142
Commtron	324	802	315	154
Communications Trans	NM	1059	1102	118
Compaq Computer	15	3	31	118
Computer Associates	56	234	83	118
Computer Sciences	276	388	474	118
ConAgra	223	97	175	164
Conner Peripherals	NM	**	23	118
Conseco	8	43	18	176
Consolidated Edison	592	509	594	142
Consol Freightways	478	890	794	188
Consol Natural Gas	606	205	693	148

	RANK			
Company	Growth	Stock market	Profitability	Page
Consolidated Papers	348	506	190	170
Consolidated Rail	679	437	**	188
Consolidated Stores	NM	930	346	184
Constar Intl	300	748	467	170
Contel	NM	78	487	118
Continental Airlines	NM	1023	1093	190
Continental Bank	NM	1005	1025	156
Continental Corp	NM	896	876	176
Control Data	NM	899	1080	118
Cooper Industries	273	202	626	108
Cooper Tire & Rubber	221	34	310	130
Adolph Coors	680	656	936	164
CoreStates Financial	568	655	300	156
Corning	175	419	456	172
Costco Wholesale	6	26	761	184
CPC International	202	47	107	164
Crane	214	**	314	108
Cray Research	289	942	134	118
Crestar Financial	562	796	504	156
Cross & Trecker	NM	1047	1062	108
CrossLand Savings FSB	NM	1075	1059	156
Crown Central Pet	NM	455	815	148
Crown Cork & Seal	297	206	499	170
CRSS	128	102	842	100
Crystal Brands	37	684	861	138
CSX	NM	630	832	188
Culbro	690	969	811	164
Cummins Engine	NM	907	1029	130
Curtice Burns Foods	477	431	388	164
Cyclops Industries	**	941	**	180
Cyprus Minerals	1	418	715	148, 180
Dairy Mart	NM	971	855	184
Dana	NM	706	556	130
Danaher	15	24	72	130
Dart Group	373	857	909	184
Data General	NM	1057	1050	118
Datapoint	NM	992	1078	118
Dayton Hudson	430	531	377	184
Dean Foods	483	374	210	164
Deere & Co	NM	277	881	108
Delchamps	NM	383	647	184
Delmarva Power & Lt	NM	633	587	142
Delta Air Lines	316	332	383	190
Delta Woodside Inds	11	847	4	138
Deluxe	403	365	80	100
DeSoto	NM	485	979	112
Detroit Edison	552	227	800	142
Dexter	517	571	559	112
Diagnostic Products	**	**	**	172
Diamond Shamrock	NM	107	479	148
Dibrell Brothers	508	381	341	164
Diebold	624	721	766	100
Digital Equipment	138	743	422	118
Dillard Dept Stores	265	120	304	184
Dime Savings Bank FSB	NM	1037	1006	156
Walt Disney	78	41	111	154
Diversified Energies	NM	265	830	148
Dixie Yarns	327	251	605	138
Dollar General	646	940	806	184
Dominion Bankshares	511	920	419	156

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Company	Growth	Stock market	Profitability	Page
Dominion Resources	557	406	577	142
Donaldson	423	164	624	108
RR Donnelley & Sons	426	518	301	154
Douglas & Lomason	NM	835	991	130
Dover	402	260	275	108
Dow Chemical	77	268	88	112
Dow Jones	266	787	100	154
DPL	330	385	541	142
DQE	607	336	732	142
Dravo	NM	774	1055	180
Dresser Industries	NM	148	892	148
Drug Emporium	34	••	217	184
DSC Communications	106	838	871	118
EI du Pont de Nemours	325	302	518	112, 148
Duke Power	571	250	563	142
Dun & Bradstreet	NM	635	113	154
Durr-Fillauer	387	152	567	172
DWG	NM	190	759	138
Dynatech	626	932	463	118
E-Systems	496	566	392	96
Eagle Food Centers	••	••	••	184
Eagle-Picher Inds	NM	1049	1091	108
Eastern Enterprises	87	525	805	148
Eastman Kodak	NM	460	591	138
Eaton	534	596	302	130
Echlin	616	760	757	130
Ecolab	272	584	318	100
Edison Bros Stores	282	533	462	184
AG Edwards	465	690	368	156
EG&G	553	694	159	118
Egghead	NM	••	1034	184
El Paso Electric	NM	1011	1011	142
Eljer Industries	••	••	••	180
Emerson Electric	484	433	254	108
Emerson Radio	640	881	727	130
Engelhard	NM	510	946	180
Enron	NM	413	729	148
Enserch	NM	625	1027	148
Enstar Group	NM	1072	1020	156
Entergy	NM	154	955	142
Enzo Biochem	••	••	••	172
Equifax	379	350	178	156
Equitable of Iowa	415	661	777	184
Equitable Resources	647	338	738	148
ERLY Industries	NM	746	1053	164
ESCO Electronics	••	••	••	96
Ethyl	187	246	214	112
Everex Systems	14	820	27	118
Exxon	612	214	548	148
Fairchild	12	454	194	96
Family Dollar Stores	NM	921	308	184
Fay's	254	603	549	184
Federal Express	431	867	764	188
Federal-Mogul	NM	826	769	130
Federal Natl Mortgage	13	25	122	156
Federal Paper Board	54	228	119	170
Federal Signal	230	70	402	108
Ferro	120	215	506	112
FHP International	127	73	9	172
Fieldcrest Cannon	287	955	907	138

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Company	Growth	Stock market	Profitability	Page
Figgie Intl	190	444	336	100
Finevest Foods	NM	••	1036	164
First American Corp	650	966	854	156
First American Finl	NM	557	442	176
First Bank System	NM	873	1019	156
First Brands	••	••	••	138
First Capital Holding	17	989	53	176
First Chicago	107	855	744	156
First City Bncp Texas	••	••	••	156
First Executive	NM	1070	1069	176
First Fidelity Bncp	693	891	838	156
First Financial Mgmt	68	426	391	118
First Interstate Bncp	NM	949	1023	156
First Mississippi	NM	449	798	112
First of America Bank	546	677	481	156
First Security	242	682	833	156
First Tennessee Natl	621	732	687	156
First Union	535	799	262	156
First Wachovia	500	370	356	156
Firstar	226	549	584	156
FirstFed Michigan	687	807	707	156
Fleet/Norstar Finl	417	892	344	156
Fleetwood Enterprises	NM	773	361	130
Fleming Cos	NM	687	716	164
Florida Progress	569	452	471	142
Florida Rock Inds	579	790	242	180
Flowers Industries	489	710	295	164
Fluor	NM	85	900	126
FMC	96	112	927	112
Food Lion	133	28	73	184
Foodarama Supermkts	NM	331	804	184
Ford Motor	318	317	121	130
Foremost Corp of Amer	NM	908	873	176
LB Foster	NM	913	464	108
Foster Wheeler	NM	226	906	108
Foundation Health	••	••	••	172
FPL Group	582	627	596	142
Freeport-McMoRan	189	201	169	112
Fremont General	NM	898	849	176
Fruit of the Loom	NM	423	177	138
HB Fuller	512	330	623	112
Fuqua Industries	671	823	418	138
Gamma Biologicals	••	••	••	172
Gannett	404	543	183	154
Gap	71	4	67	184
GATX	91	369	425	156
Gaylord Container	••	••	••	170
Geico	388	244	81	176
GenCorp	74	1013	492	96
Genentech	••	••	••	172
General Cinema	108	628	21	154
General Dynamics	610	970	297	96
General Electric	420	320	278	96, 108
General Host	NM	984	925	184
General Mills	164	58	14	164
General Motors	NM	526	613	130
General Motors EDS	101	249	358	118
GM Hughes Electronics	435	629	944	96
General Public Utils	213	72	547	142
General Re	52	235	259	176

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Company	Growth	Stock market	Profitability	Page
General Signal	NM	779	801	108
Genesco	NM	591	222	184
Genetics Institute	**	**	**	172
Genlyte Group	578	**	**	108
Genovese Drug Stores	NM	686	656	184
Genuine Parts	383	355	200	130
Genzyme	**	**	**	172
Georgia Gulf	18	**	3	112
Georgia-Pacific	57	424	257	170
Gerber Products	367	74	267	164
Getty Petroleum	234	834	99	148
Giant Food	241	180	138	184
Gibson Greetings	503	493	201	138
Gillette	278	35	149	138
Gitano Group	243	**	36	138
PH Glatfelter	329	186	128	170
GlenFed	84	936	633	156
Golden West Finl	506	293	156	156
Goldome	**	538	**	156
BF Goodrich	2	569	781	112
Goodyear	NM	903	327	130
Goulds Pumps	NM	595	813	108
WR Grace	NM	652	808	112
WW Grainger	365	298	339	108
Great American Bank	NM	1063	1028	156
Great American Mgmt	NM	282	988	112
Great A&P Tea	162	184	575	184
Great Lakes Chemical	129	60	164	112
Gt Western Financial	NM	730	686	156
Grey Advertising	501	402	527	154
Greyhound Dial	NM	789	787	138
Grossman's	NM	1011	948	184
Grow Group	NM	703	1001	180
Grumman	643	888	840	96
GTE	537	196	533	118
Guilford Mills	574	798	595	138
Gulf States Utils	NM	757	932	142
Hadson	NM	769	1005	148
Halliburton	NM	261	972	148
Hana Biologics	**	**	**	172
Handleman	296	722	139	154
Handy & Harman	NM	852	922	180
MA Hanna	NM	420	807	112
Hannaford Bros	216	98	234	184
Hanover Insurance	63	691	293	176
Harcourt Brace	670	1040	894	154
Harken Energy	NM	99	999	148
Harley-Davidson	55	50	38	130
Harman International	61	821	84	130
Harnischfeger Inds	NM	567	903	108
Harris Corp	677	811	897	118
Harsco	689	647	843	180
Hartford Steam Boiler	92	51	91	176
Hartmarx	655	1002	817	184
Hasbro	NM	698	606	138
Hawaiian Electric	541	490	700	142
Healthco Intl	NM	463	942	172
Hechinger	505	910	572	184
HJ Heinz	349	149	116	164
Helene Curtis Inds	153	141	491	138

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Company	Growth	Stock market	Profitability	Page
Henley Group	**	**	**	172
Hercules	NM	786	684	112
Hershey Foods	356	147	238	164
Hewlett-Packard	445	758	424	118
Hexcel	NM	886	785	96
Highland Superstores	NM	1062	799	184
Hillenbrand Inds	251	80	227	172
Hillhaven	**	**	**	172
Hills Dept Stores	NM	979	609	184
Hilton Hotels	573	614	433	190
Holly Corp	118	19	13	148
Holnam	NM	**	754	180
Home Depot	45	2	129	184
Home Shopping	NM	1015	865	184
HomeFed	400	997	658	156
Homestead Financial	NM	1061	951	156
HON Industries	344	161	173	100
Honeywell	NM	474	848	108
Geo A Hormel	267	88	477	164
Horn & Hardart	NM	939	1063	184
Houghton Mifflin	540	643	552	154
Household Intl	399	843	239	156
Houston Industries	613	455	638	142
Hubbell	390	229	249	108
Hudson Foods	NM	925	68	164
Huffy	NM	191	706	130
Hughes Supply	576	794	786	180
Humana	NM	391	245	172
JB Hunt Transport	295	476	125	188
Huntington Bcshs	509	671	494	156
IBP	625	494	**	164
ICH	**	1036	1088	176
ICN Biomedicals	**	**	**	172
IE Industries	581	484	685	142
IGI	**	**	**	172
Illinois Central	**	**	**	188
Illinois Power	NM	830	965	142
Illinois Tool Works	134	96	219	108
IMC Fertilizer Group	**	**	**	112
Imcera Group	NM	188	908	112
Immucor	**	**	**	172
Immunex	**	**	**	172
Immunomedics	**	**	**	172
Imo Industries	NM	540	831	108
Imperial Holly	60	**	513	164
Inacomp Computer	95	536	617	184
INB Financial	NM	771	590	156
Inco	NM	207	25	180
Independent Insurance	NM	712	788	176
Ingersoll-Rand	156	274	649	108
Ingles Markets	290	486	498	184
Inland Steel Inds	5	548	822	180
Inspiration Resource	NM	822	1004	112
Instrument Systems	NM	744	1041	138
Intel	NM	173	398	118
Intelligent Electron	3	17	77	184
Interco	NM	**	910	130
Interface	132	461	277	100
Intergraph	566	981	470	118
Interlake	485	1041	771	108

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Company	Growth	Stock market	Profitability	Page
Intermark	NM	976	1014	184
IBM	635	781	570	118
Intl Flavors & Frags	317	216	247	112
Intl Multifoods	NM	430	736	164
International Paper	36	170	517	170
Interpublic Group	312	121	212	154
InterTAN	**	361	448	184
Iowa-Illinois G&E	602	542	576	142
Ipalco Enterprises	565	373	454	142
Itel	NM	609	1002	118
ITT	169	447	733	176
Jacobs Engineering	24	5	375	126
James River Corp Va	560	688	648	170
Jamesway	659	1026	839	184
Jefferson-Pilot	NM	572	768	176
Johnson & Johnson	218	91	110	138
Johnson Controls	595	624	683	130
Jostens	268	151	41	184
JWP	53	59	148	100
Kaman	632	902	645	96
Kansas City P&L	NM	386	731	142
Kansas City Southern	NM	728	976	188
Kansas Gas & Elec	NM	185	850	142
Kansas Power & Light	608	560	583	148
Kaufman & Broad Home	151	853	109	126
Kellogg	299	150	43	164
Kellwood	319	894	272	138
Kelly Services	203	442	74	100
Kemper	100	741	374	176
Kennametal	209	472	676	108
Kentucky Central Life	460	928	642	176
Kentucky Utilities	510	380	515	142
Kerr Glass Mfg	NM	947	1007	170
Kerr-McGee	NM	415	911	148
KeyCorp	542	704	500	156
Kimball International	470	553	397	130
Kimberly-Clark	291	103	224	138
Kmart	NM	498	621	184
KN Energy	NM	301	937	148
Knight-Ridder	352	599	186	154
Kroger	NM	**	905	184
LA Gear	NM	9	1	138
La-Z-Boy Chair	550	590	413	130
Laclede Gas	611	576	524	148
LADD Furniture	548	887	136	130
Lafarge	27	465	598	180
Lancaster Colony	292	464	569	130
Lance	497	387	206	164
Landmark Land	NM	1027	1075	156
Lands' End	130	634	19	184
Leggett & Platt	436	583	290	130
Lennar	124	672	672	126
Leslie Fay Cos	360	699	434	138
Leucadia National	452	219	288	176
LG&E Energy	NM	414	650	142
Liberty Corp	444	459	728	176
Life Technologies	**	**	**	172
Lifetime	NM	30	891	172
Eli Lilly	372	84	137	172
Limited	159	349	55	184

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Company	Growth	Stock market	Profitability	Page
Lincoln Electric	285	335	611	108
Lincoln National	554	756	713	176
Lionel	705	1021	931	184
Litton Industries	NM	664	553	96
LIVE Entertainment	NM	767	221	154
Liz Claiborne	144	131	39	138
Lockheed	339	829	292	96
Loctite	232	46	179	112
Loews	198	247	131	176
Lone Star Industries	NM	1019	1047	180
Lone Star Tech	NM	916	1084	180
Long Island Lighting	NM	94	952	142
Longs Drug Stores	407	462	334	184
Longview Fibre	105	222	152	170
Loral	376	649	306	96
Lotus Development	270	140	49	118
Louisiana Land	NM	309	986	148
Louisiana-Pacific	66	479	565	170
Lowe's Cos	584	724	660	184
LSI Logic	NM	943	980	118
LTV	NM	1055	1095	180
Lubrizol	374	276	427	112
Lukens	35	36	360	180
LVI Group	NM	1067	1094	126
Lyondell Petrochem	**	**	**	112
M/A-Com	NM	972	977	118
Magma Copper	NM	815	721	180
MagneTek	10	**	6	108
MAI Systems	NM	1058	809	118
Manor Care	NM	678	528	172
Manufacturers Hanover	NM	946	1010	156
Manufacturers Natl	384	579	520	156
Manville	244	1052	**	180
Mapco	472	110	298	148
Marion Merrell Dow	229	65	52	172
Mark IV Industries	28	441	37	118
Marriott	428	917	142	164
Marsh & McLennan Cos	116	204	33	176
Marsh Supermarkets	281	122	476	184
Marshall & Ilsley	429	613	414	156
Marshall Industries	298	248	428	118
Martin Marietta	419	512	86	96
Masco	456	716	355	180
Masco Industries	240	725	412	130
Mattel	NM	300	501	138
Maxtor	NM	817	429	118
Maxus Energy	NM	312	1099	148
Maxxam	NM	126	54	180
May Dept Stores	382	404	328	184
Maytag	NM	866	105	130
MCA	424	411	746	154
McCaw Cellular	NM	616	1089	118
McCormick & Co	250	82	154	164
McDermott Intl	NM	326	1057	108
McDonald's	338	287	185	184
McDonnell Douglas	695	804	835	96
McGraw-Hill	665	615	468	154
MCI Communications	NM	63	150	118
McKesson	556	546	674	172
MCN	**	**	281	148

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Company	Growth	Stock market	Profitability	Page
MDC Holdings	NM	1071	1074	126
Mead	196	592	378	170
Medco Containment	44	68	818	184
Media General	673	708	853	154
Medtronic	227	18	196	172
Mellon Bank	NM	934	1043	156
Melville	323	311	167	184
Mercantile Bancorp	NM	785	941	156
Mercantile Stores	454	681	453	184
Merck	135	27	26	172
Mercury General	181	658	182	176
Meredith	617	813	695	154
Meridian Bancorp	600	831	546	156
Merisel	76	**	89	118
Meritor Savings Bank	NM	1056	1077	156
Merrill Lynch	NM	880	864	156
Merry-Go-Round	313	21	114	184
Fred Meyer	NM	639	756	184
Michigan National	80	868	266	156
MicroAge	NM	87	581	184
Micron Technology	NM	527	103	118
Microsoft	41	8	16	118
Midlantic	453	1039	387	156
Midway Airlines	NM	762	1026	190
Midwest Resources	559	445	620	142
Herman Miller	527	776	264	100
Millipore	366	394	447	100
Mine Safety Appliance	NM	492	712	100
Minn Mining & Mfg	347	223	199	100
Minnesota Power & Lt	561	429	426	142
Mitchell Energy	NM	242	953	148
MLX	NM	1053	1071	108
MNC Financial	177	1003	312	156
Mobil	455	183	677	148
Modine Manufacturing	555	275	417	130
Molecular Biosystems	**	**	**	172
Molex	386	333	381	118
Monarch Capital	NM	1054	923	176
Monsanto	183	198	561	112
Montana Power	NM	491	797	142
Moore Corp	448	511	488	100
JP Morgan & Co	NM	427	966	156
Morgan Products Ltd	NM	948	696	180
Morgan Stanley	114	440	58	156
Morrison	335	726	435	184
Morrison Knudsen	NM	736	1033	126
Morton International	NM	**	385	112
Motorola	239	356	666	118
Multimedia	NM	209	985	154
Murphy Oil	NM	405	992	148
Nacco Industries	306	507	205	108, 148
Nalco Chemical	439	232	191	112
Nash Finch	567	538	690	164
Nashua	524	100	643	100
National City	409	436	330	156
Natl Convenience	NM	983	1018	184
National Education	NM	1022	763	100
National Fuel Gas	605	286	698	148
National Health Labs	126	**	244	172
National Intergroup	NM	922	1009	172
National Medical	NM	271	631	172
Natl Semiconductor	NM	977	1016	118
National Service	486	377	382	108
National-Standard	NM	1031	1035	180
Navistar Intl	NM	1004	969	130
NBD Bancorp	355	218	461	156
NCH	172	165	411	112
NCNB	363	568	326	156
NCR	380	367	299	118
Neiman Marcus Group	**	673	**	184
New England Electric	620	604	793	142
NY State E&G	652	709	709	142
New York Times	247	766	130	154
Newell Co	141	16	271	130
Newmont Mining	NM	297	918	180
Niagara Mohawk Power	694	832	884	142
Nicor	NM	139	396	148
NIKE	67	12	108	138
Nipsco Industries	NM	194	847	142
NL Industries	49	**	**	112
Noland	614	848	887	180
Nordstrom	184	195	236	184
Norfolk Southern	NM	340	751	188
Nortek	NM	1006	995	180
Northeast Federal	NM	1050	1079	156
Northeast Utilities	631	515	682	142
No States Power	598	477	521	142
Northern Telecom	NM	344	566	118
Northern Trust	93	171	612	156
Northrop	NM	962	974	96
Norwest	125	233	646	156
Novell	29	7	22	118
Nucor	463	307	431	180
NWNL	536	797	699	176
Nynex	NM	345	661	118
Occidental Petroleum	685	795	929	148
Ogden	669	521	416	100
Ohio Casualty	131	578	432	176
Ohio Edison	634	573	675	142
Oklahoma G&E	539	371	535	142
Old Kent Financial	532	597	343	156
Old Republic Intl	NM	729	505	176
Olin	199	734	665	112
Olsten	157	676	140	100
Omnicom Group	NM	617	386	154
Oneida	NM	670	651	130
Oneok	682	657	859	148
Oracle Systems	NM	111	15	118
Orange & Rockland	590	577	578	142
Orion Capital	NM	909	825	176
Orion Pictures	336	523	924	154
Oryx Energy	**	**	**	148
Oshkosh Truck	NM	956	162	130
Outboard Marine	362	945	737	130
Owens & Minor	633	552	790	172
Owens-Corning	NM	532	973	180
Oxford Industries	636	931	930	138
Paccar	217	457	252	130
Pacific Enterprises	NM	735	722	148
Pacific G&E	645	483	841	142

Growth: 5-year annual earnings-per-share growth. **Stock market:** 5-year price change. **Profitability:** 5-year return on equity. **NM:** Not meaningful. **Not ranked.

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Company	Growth	Stock market	Profitability	Page
Pacific Telesis	521	130	516	118
PacifiCare Health	320	280	123	172
PacifiCorp	543	393	540	142
PaineWebber Group	NM	914	889	156
Pall	369	379	228	112
Pan Am	NM	1014	1101	190
Panhandle Eastern	NM	937	1031	148
Paramount Commun	81	303	70	154
Parker Hannifin	591	675	625	108
Pathe Communications	NM	1051	1092	154
Penn Central	NM	791	874	118
Penn Traffic	••	••	••	184
JC Penney	235	295	400	184
Pennsylvania P&L	518	334	586	142
Pennzoil	NM	582	1060	148
Pentair	458	674	495	170
People's Bank	••	••	••	156
Peoples Energy	NM	481	451	148
Pep Boys	408	547	469	184
PepsiCo	137	48	96	164
Perini	NM	1016	904	126
Perkin-Elmer	NM	806	938	118
Perry Drug Stores	NM	985	1037	184
Petrie Stores	676	828	812	184
Petroleum Heat & Pwr	NM	745	1046	148
Pfizer	520	304	289	172
Phelps Dodge	NM	142	284	180
PHH	NM	877	603	100
Philadelphia Elec	NM	642	654	142
Philip Morris Cos	161	13	62	164
Phillips Petroleum	NM	138	449	148
Phillips-Van Heusen	411	565	51	138
PHM	264	869	589	126
Pic 'N' Save	NM	967	124	184
Piedmont Natural Gas	466	281	525	148
Pilgrim's Pride	195	879	94	164
Pinkerton	NM	••	209	100
Pinnacle West	NM	950	1024	142
Pioneer Hi-Bred Intl	NM	653	512	164
Pitney Bowes	476	324	258	100
Pittston	NM	304	1008	148, 188
Pittway	NM	••	739	130
Ply Gem Industries	NM	927	653	180
PNC Financial	580	818	403	156
Polaroid	88	594	860	138
Pope & Talbot	40	443	176	170
Portland General	NM	747	916	142
Potlatch	112	346	407	170
Potomac Electric	538	503	362	142
PPG Industries	305	294	233	130
Precision Castparts	136	64	165	96
Premark Intl	NM	777	628	130
Premier Bancorp	NM	1033	1070	156
Premier Industrial	314	213	163	118
Preston	NM	926	958	188
Price Co	149	607	104	184
Primerica	32	580	673	156
Procter & Gamble	NM	105	507	138
Progressive	103	119	97	176
Promus Cos	••	••	••	190

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Company	Growth	Stock market	Profitability	Page
Provident Life & Acc	NM	764	688	176
PS Group	NM	516	743	148
PSI Resources	364	133	28	142
Public Service Colo	NM	593	545	142
Public Service NH	NM	1007	1064	142
Public Service NM	660	995	961	142
Pub Svc Enterprise	596	466	608	142
Puget Sound P&L	401	530	636	142
Pulitzer Publishing	228	876	2	154
Quaker Oats	406	240	226	164
Quaker State	686	958	949	148
Quanex	NM	159	671	180
Quantum	443	117	286	118
Quantum Chemical	31	952	324	112
Questar	654	495	826	148
QVC Network	••	1009	376	184
Ralston Purina	236	143	29	164
Raychem	446	839	573	108
Raytheon	224	422	144	96
Readers Digest Assn	42	••	8	154
Reebok International	158	113	24	138
Reliance Group	NM	859	415	176
Republic New York	NM	397	851	156
Rexene	••	••	••	112
Reynolds & Reynolds	NM	895	380	100
Reynolds Metals	21	77	285	180
Rhone-Poulenc Rorer	405	76	230	172
Richfood Holding	••	••	••	164
Riggs National	586	982	784	156
Riser Foods	••	••	••	184
Rite Aid	425	407	253	184
Roadway Services	NM	602	679	188
HH Robertson	NM	1029	1054	180
Rochester G&E	674	731	740	142
Rochester Telephone	NM	359	582	118
Rockwell Intl	389	376	187	96
Rohm & Haas	494	496	333	112
Rohr Industries	642	897	724	96
Rollins	459	428	17	100
Rose's Stores	668	968	816	184
Ross Stores	NM	998	534	184
Rouse	681	707	423	126
RPM	394	269	404	112
Rubbermaid	263	116	166	130
Ruddick	493	270	614	184
Russell	261	176	296	138
Ryder System	675	851	774	156
Rykoff-Sexton	507	749	681	164
Ryland Group	115	751	101	126
Safeco	205	410	274	176
Safety-Kleen	269	118	161	100
St Joe Paper	513	••	701	170
St Paul Cos	94	321	303	176
Salant	NM	1028	939	138
Salem Carpet Mills	499	850	604	138
Salomon	NM	864	730	156
San Diego G&E	NM	256	514	142
Santa Fe Pacific	NM	••	1056	188
Sara Lee	307	106	192	164
Savannah Foods	328	57	260	164

Growth: 5-year annual earnings-per-share growth. **Stock market:** 5-year price change. **Profitability:** 5-year return on equity. **NM:** Not meaningful. **••Not ranked.

RANK

Company	Growth	Stock market	Profitability	Page
Savin	NM	1069	1098	100
Scana	NM	468	539	142
SCEcorp	597	360	480	142
Schering-Plough	238	54	151	172
Schlumberger	NM	316	893	148
A Schulman	176	44	218	112
Schultz Sav-O Stores	293	14	359	184
Charles Schwab	**	128	**	156
SCI Systems	434	793	550	118
Scientific-Atlanta	NM	638	702	118
Scott Paper	178	341	273	138
EW Scripps	NM	**	600	154
Seaboard	358	471	633	164
Seagate Technology	NM	449	216	118
Seagram	350	259	616	164
Sears, Roebuck	NM	808	752	176, 184
Seaway Food Town	83	310	345	184
Security Pacific	475	775	473	156
Selective Insurance	331	453	207	176
Sequa	NM	362	316	96
Service Corp Intl	NM	586	943	138
Service Merchandise	NM	889	641	184
Shaw Industries	301	81	135	138
Shawmut National	NM	991	863	156
Sherwin-Williams	414	288	279	184
Shoney's	623	**	705	184
Sigma-Aldrich	188	169	106	112
Signet Banking	NM	973	309	156
Silicon Graphics	7	212	741	118
Skyline	309	738	773	126
AO Smith	NM	825	919	130
Smith Corona	**	**	**	100
Smith International	NM	108	1076	148
Smithfield Foods	51	31	90	164
Smith's Food & Drug	215	**	269	184
JM Smucker	351	252	256	164
Snap-on Tools	337	364	188	130
Society	418	585	459	156
Sonat	NM	322	926	148
Sonoco Products	233	187	195	170
Sotheby's Holdings	9	**	20	184
South Carolina Natl	422	770	460	156
Southdown	NM	833	409	180
Southeast Banking	NM	1030	780	156
Southern Company	615	505	639	142
So N England Telecom	490	357	503	118
SouthTrust	457	689	364	156
Southwest Airlines	NM	632	753	190
Southwest Gas	551	783	592	148
Southwestern Bell	587	199	619	118
Southwestern Pub Svc	604	541	395	142
Spiegel	97	290	146	184
Sprague Technologies	NM	961	1061	118
Springs Industries	179	682	767	130
SPS Technologies	525	849	827	96
SPX	421	846	444	130
Square D	563	524	401	108
Std Commercial	NM	723	933	164
Standard Fedl Bank	**	561	529	156
Standard Motor Prods	629	883	789	130
Standard Products	449	705	127	130
Standard Register	528	878	452	100

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Company	Growth	Stock market	Profitability	Page
Standex International	NM	325	697	154
Stanhome	163	15	102	138
Stanley Works	480	412	443	108
State Street Boston	332	285	251	156
Sterling Chemicals	**	**	**	112
Stewart & Stevenson	NM	6	348	108
Stone Container	39	700	93	170
Storage Technology	699	544	1096	118
Strawbridge	515	816	502	184
Stride Rite	48	11	141	138
Student Loan	145	62	44	156
Sudbury	NM	1042	366	108
Sun Company	698	**	934	148
Sun Microsystems	22	306	180	118
Sundstrand	NM	620	819	96
SunTrust Banks	395	558	321	156
Super Food Services	322	425	399	164
Super Valu Stores	487	522	282	164
Synbiotics	**	**	**	172
Synergen	**	**	**	172
Syntex	191	96	40	172
Sysco	310	67	325	164
Talley Industries	514	953	877	96
Talman Home Federal	**	905	866	156
Tambrands	437	177	265	138
Tandem Computers	210	534	580	118
Tandy	471	792	232	184
TBC	73	56	155	130
TCF Financial	NM	841	978	156
TECO Energy	547	211	478	142
Tecumseh Products	564	772	640	108
Tektronix	697	845	947	118
Tele-Communications	NM	172	1012	154
Teledyne	479	**	7	96
Temple-Inland	194	289	379	170
Tenneco	NM	504	748	108
Teradyne	NM	1017	994	118
Terex	26	61	75	108
Tesoro Petroleum	NM	715	1073	148
Texaco	90	182	852	148
Texas Industries	704	915	956	180
Texas Instruments	59	742	465	118
Texas Utilities	NM	467	588	142
Textron	440	631	629	96
Thermo Electron	197	163	669	108
Thiokol	630	**	523	96
Thomas & Betts	502	564	313	118
Thomas Industries	531	872	511	130
Thorn Apple Valley	NM	263	928	164
3Com	20	802	255	118
TIE/communications	NM	1066	1090	118
Time Warner	NM	438	803	154
Times Mirror	522	697	197	154
Timken	NM	563	959	108
TJX Cos	212	**	**	184
Tonka	NM	1025	824	138
Torchmark	294	127	126	176
Toro	186	651	208	130
Tosco	NM	680	170	148
Town & Country	NM	963	659	184
Toys 'R' Us	171	115	193	184
Transamerica	371	660	607	176

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Company	Growth	Stock market	Profitability	Page
Transco Energy	NM	788	971	148
Travelers	683	988	867	176
Tredegar Industries	••	••	••	180
Tribune	288	378	261	154
Trinity Industries	NM	528	717	108
Trinova	641	640	694	108
TRW	533	737	352	96
Tucson Electric	NM	1044	858	142
Turner Broadcasting	NM	10	1097	154
Turner Corp	701	938	983	126
TW Holdings	••	••	••	164
20th Century Inds	72	417	69	176
Tyco Laboratories	201	42	147	180
Tyson Foods	102	49	76	164
UAL	NM	157	79	190
UGI	283	253	689	148
UJB Financial	447	954	421	156
UNC	••	975	820	96
Union Bank	262	862	531	156
Union Camp	219	432	389	170
Union Carbide	NM	810	71	112
Union Electric	410	398	519	142
Union Pacific	NM	435	725	188
Union Texas Petrol	NM	129	45	148
Unisys	NM	1045	981	118
UA Entertainment	NM	239	1066	154
United Banks of Colo	700	812	940	156
United HealthCare	NM	197	967	172
United Illuminating	NM	550	997	142
United Merchants	NM	1077	1085	138
US Bancorp	416	351	538	156
US Healthcare	NM	508	331	172
US Home	NM	1060	1051	126
US Shoe	661	929	872	184
United Stationers	442	964	420	100
United Technologies	468	598	652	96
United Telecom	NM	135	437	118
Unitrin	••	••	••	176
Univar	357	124	482	112
Universal	491	618	337	164
Universal Foods	193	33	367	164
Universal Health	664	893	915	172
Unocal	696	137	828	148
UNUM	••	299	726	176
Upjohn	545	266	393	172
US West	530	266	544	118
USAir Group	NM	923	899	190
USF&G	702	996	747	176
USG	692	••	349	180
Uslico	NM	860	655	176
USLife	570	750	810	176
UST Inc	259	23	47	164
USX	NM	482	857	148, 180
UtiliCorp United	585	343	522	148
Valero Energy	NM	347	974	148
Valhi	70	69	56	112
Valley National	NM	1001	1021	156
Valmont Industries	4	90	351	180
Valspar	286	136	184	112
Varian Associates	NM	559	913	118
Varity	NM	620	883	108
VF	523	865	246	138

	RANK			
Company	Growth	Stock market	Profitability	Page
Viacom	••	132	••	154
Village Super Market	488	395	475	184
Vishay Intertech	206	626	291	118
Vista Chemical	NM	407	11	112
Volt Info Sciences	NM	960	968	100
Vons Cos	NM	79	••	184
Vulcan Materials	279	372	211	180
Waban	••	••	••	184
Wackenhut	NM	720	466	100
Wal-Mart Stores	121	29	50	184
Walgreen	413	224	223	184
Wallace Computer Svs	397	663	357	100
Wang Laboratories	NM	1043	1044	118
Warner-Lambert	359	66	59	172
Washington Gas Light	NM	458	564	148
Washington Mutual	NM	284	627	156
Washington National	NM	919	989	176
Washington Post	168	319	61	154
Waste Management	154	22	145	100
Waxman Inds	82	611	65	180
Weirton Steel	NM	••	945	180
Weis Markets	438	574	319	184
Wellman	50	451	34	112
Wells Fargo	150	254	311	156
Wendy's Intl	NM	912	912	184
Western Digital	NM	900	243	118
Western Publishing	280	665	120	154
Western Union	NM	1074	1100	118
Westinghouse	222	472	157	108
Westmark Intl	NM	337	920	172
Westmoreland Coal	NM	648	998	148
Westvaco	341	392	484	170
Wetterau	474	318	305	164
Weyerhaeuser	255	637	719	170
Wheelabrator Tech	••	••	••	126
Wheeling-Pittsburgh	NM	840	1052	180
Whirlpool	618	666	644	130
Whitman	173	641	••	164
Wholesale Club	NM	55	990	184
Wicor	NM	480	622	148
Willamette Inds	139	520	160	170
Willcox & Gibbs	237	519	342	108
Williams Cos	NM	636	935	148
Winn-Dixie Stores	589	237	369	184
Winnebago Industries	NM	1034	917	130
Wisconsin Energy	544	314	450	142
Wisconsin Public Svc	NM	475	574	142
Witco	628	600	734	112
WLR Foods	NM	••	203	164
Woolworth	275	167	363	184
Worthington Inds	315	368	213	180
WPL Holdings	603	497	560	142
Wm Wrigley Jr	174	37	95	164
WTD Industries	33	1048	10	170
Wyle Laboratories	225	679	875	118
Wyman-Gordon	NM	959	987	96
Xerox	377	871	775	100, 176
Yellow Freight Sys	653	727	667	188
Zenith Electronics	NM	986	1040	118
Zenith National Ins	79	924	472	176
Zurn Industries	450	245	678	108

Growth: 5-year annual earnings-per-share growth. **Stock market:** 5-year price change. **Profitability:** 5-year return on equity. **NM:** Not meaningful. ••Not ranked.

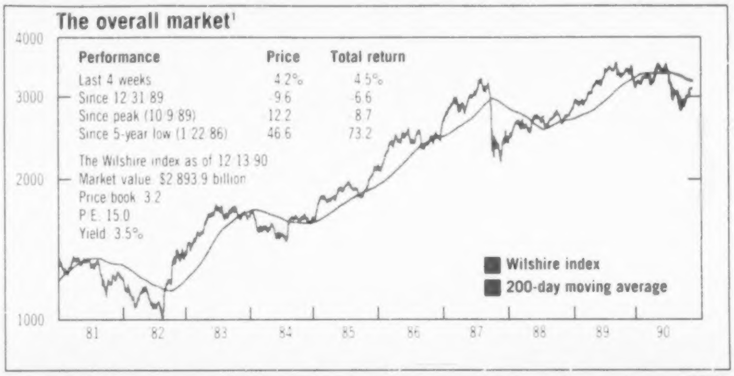
The Forbes Wall Street Review

By Eric S. Hardy

The stock market disappointed investors in 1990. By year-end, the broadly weighted Wilshire index was down almost 10%. The drop has probably gone too far in many cases. For example, NCR and Vista Chemical recently received takeover bids at high premiums to their previous quotes. And a number of recently proposed initial public offerings indicate that there is some confidence in the stock market.

Insurance giant Equitable Life is planning to go public to raise some badly needed capital, and at least one apparently solid thrift institution is also selling some equity. Chicago-based Northwestern Savings & Loan Association intends, like Equitable, to convert from mutual to stock ownership. Given the unsettled market conditions for thrift stocks, this is a bold move for Northwestern, which has $1.3 billion in assets.

Are there any worthwhile bank or thrift stocks? Al Frank, a money manager and editor of the *Prudent Speculator*, a Santa Monica, Calif. newsletter, likes a few of these companies. For example, Great Western Financial is recommended by Frank even though its P/E multiple of 13 is above the industry average. "Great Western is trading at 64% of book value and offers a 7.5% yield," observes Frank. "Their earnings have suffered not so much from operations but because of government-mandated writedowns for the industry."


The overall market[1]

The Best Performing Stocks

Company	Price	2-week change	P E	Avg vol (thou)[2]	Rel vol[3]
NCR	90⅛	62%	16	19,287	7.7
Marriott	13¾	31	13	5,459	1.2
Hilton Hotels	39⅝	30	19	6,108	3.3
Brunswick	9⅝	26	10	3,093	2.1
First Interstate Bancorp	26⅛	26	NM	6,625	2.2

The Worst Performing Stocks

Company	Price	2-week change	P E	Avg vol (thou)[2]	Rel vol[3]
Santa Fe Energy Resources	13¼	-19%	NM	1,122	3.6
Valero Energy	16⅞	-15	10	2,202	0.9
Lotus Energy	19	-15	10	5,974	1.4
Gulf Canada Resources	8⅞	-14	NM	81	0.8
Mitchell Energy & Development	18¼	-14	29	418	1.0

Closeup on the Market

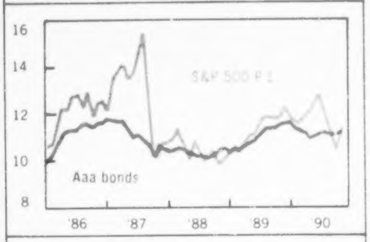
Index or investment	Price	2-week change	Index or investment	Price or rate	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3,092.1	4.2%	**Europe, Australia, New Zealand and Far East[4]** (EAFE) a dollar denominated capitalization weighted index	835.90	5.9%
Wilshire index 6,000 stocks, equal weighted	17.1	2.7	**Institutional[5]** Approximately 200 stocks with high institutional ownership	95.61	4.2
Dow Jones industrials 30 stocks, divisor-adjusted price average	2,614.4	3.8	**Individual[5]** Approximately 200 stocks with low institutional ownership	83.85	2.5
S&P 500 Capitalization weighted cross section, major stocks	329.3	4.1	**Russell 2000 index** 2000 stocks with small market values, capitalization weighted	130.96	5.0
NYSE Capitalization weighted, all listed common stocks	180.1	4.0	**Gold[6]** (composite quote of 6 major dealers)	$373.20	-4.1
			Yen[6] (per $U.S.)	132.25	-0.9
Amex Capitalization weighted total return, stocks, warrants	306.7	2.3	**Commodity index[6]** (CRB futures index: 1967 = 100)	220.48	-1.9
Nasdaq Capitalization weighted, all issues except warrants	371.5	4.4	**Oil[6]** (W Texas Intermediate)	$26.40	-8.5
			T bills[6] (90 days)	6.82%	7 basis points[7]
Amex international market index Capitalization weighted, 50 largest ADRs	302.3	2.9	**Broker loan rate[6]**	9.25%	unchanged

Note: All data for periods ending 12/13/90. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. Stocks listed above have market capitalizations of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over a 2-week period. [3]Average daily volume over the last 2 weeks, divided by the average daily volume over the preceding 3 months. [4]Morgan Stanley Capital International Perspective. [5]For period ending 12/14/90. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

What the Analysts Think

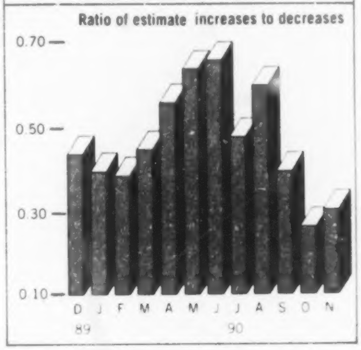
By Steven Ramos

S&P 500 P/E* vs. Aaa bonds†



*S&P 500 P/E is the recent price of the S&P 500 divided by estimated earnings over the next 12 months. †Projected price-to-coupon ratio for Moody's Aaa corporate bond index.

S&P 500 companies



Forecasting the S&P 500

Year	Estimated P/E	% change current estimate vs. 3 months ago	Expected year-to-year EPS growth
1989[1]	13.3	NA	–5%
1990	12.4	–5%	2
1991	11.0	–6	14

1990 estimates for major industry groups

Rising estimates	Falling estimates
misc metals	airlines
coal	machine tools
oil-integrated	steel
truckers	automobiles
international oil	money center banks

One year ago Wall Street figured that the Standard & Poor's 500 would rack up a 14% earnings increase in 1990. But as last year closed, the projected gain was down to a miserly 2%. Now analysts think the S&P 500 could post a 14% gain in 1991, but this early forecast could end up being as wrong as the one made for the previous year. In fact, the rosy 1991 projection may already be in jeopardy: Analysts are currently lowering 15 estimates for every 10 they raise *(see graph at center)*.

Some of the sharpest swings in individual company forecasts reflect the volatility in petroleum prices. Four of the five companies showing the biggest increases in 1990 estimates are energy firms. Two of the five companies with the sharpest estimate decreases—AMR and Goodyear Tire & Rubber—have been hurt by the increase in fuel and feedstock prices. These are consensus forecasts. Some analysts are predicting that AMR, for example, will lose money in 1990. As a group, analysts are anticipating sharp losses for other carriers such as U.S. Air (a loss of $8 a share) and Continental Airlines ($6.55 a share).

These data were supplied by the Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan.

Who's Hot

These companies show the greatest increases in estimates over the past three months.[2]

Company/industry	1989 EPS	1990 estimate recent	1990 estimate 3-mo chg	P/E	3-mo price chg	Reason
Amerada Hess/integrated oil	$5.87	$3.87	57%	13	–10%	Capitalized on higher oil prices
Cisco Systems/computer network equip	0.99	2.02[3]	44	19	54	Increased demand for network products
Oryx Energy/oil & gas exp & prods	0.73	1.36	35	32	–12	Increased natual gas and crude oil prices
Diamond Shamrock/integrated oil	2.20	2.70	34	7	–10	Higher refinery margins
Valero Energy/natural gas & refining	1.02	2.07	34	10	7	Higher refinery margins

Who's Not

These companies show the greatest decreases in estimates over the past three months.[2]

Company/industry	1989 EPS	1990 estimate recent	1990 estimate 3-mo chg	P/E	3-mo price chg	Reason
Inland Steel/steel	$3.15	$0.57	–73%	41	–18%	Higher start up costs of joint venture with Nippon Steel
Chips & Technologies/semiconductors	1.88	0.65[3]	–65	12	–28	Declining prices, shipments and margins
AMR/airlines	7.16	1.09	–64	40	3	Increased jet fuel prices
Meridian Bancorp/banking	2.32	0.88	–61	13	–12	Rising loan-loss reserves
Goodyear Tire & Rubber/tire & rubber prods	5.36	0.54	–61[1]	30	–14	Higher raw materials costs and declining market share

[1] Actual. [2] Companies with market capitalization of $100 million or more. [3] 1991 estimate. Earnings projections are Wall Street consensus estimates data from 3,000 security analysts compiled by the Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan Investment Services. Aaa bond yield forecasts supplied by Blue Chip Economic Advisors. NA: Not available.